

***SCHOOL DISTRICT
OF
EDISON TOWNSHIP***

***EDISON TOWNSHIP
BOARD OF EDUCATION***

***COUNTY OF MIDDLESEX
EDISON, NEW JERSEY***

***COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR
ENDED JUNE 30, 2015***

**EDISON SCHOOL DISTRICT
COUNTY OF MIDDLESEX, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2015**

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INTRODUCTORY SECTION



Public Schools of Edison Township

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Richard O'Malley, Ed.D
Superintendent of Schools

Daniel P. Michaud
Business Administrator/Board Secretary

December 4, 2015

Honorable President and
Members of the Board of Education
Edison School District
County of Middlesex, New Jersey

Dear Board Members:

The comprehensive annual financial report (CAFR) of the Edison School District (District) for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The District has implemented Statement No. 34 of the Governmental Accounting Standards Board (GASB) entitled *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*. This standard, issued in June 1999, created a new reporting model of financial information and disclosure, which represented a significant departure from the formerly used reporting model. The reader will notice that the two main basic financial statements created by this standard, the Statement of Net Assets and the Statement of Activities, do not contain numerous columns for various funds that have been seen in past governmental financial statements. These two statements consolidate much of the information contained in fund based financial statements of the past into statements which tend to answer the question: "Is the District better or worse off financially than it was in the previous year?" A comparison of net assets should help the reader in answering that question.

Also required as part of "Required Supplementary Information" by GASB Statement No. 34 is a "Management's Discussion and Analysis" (MD&A) which allows the District to explain in layman's terms its financial position and results of operations of the past fiscal year. The comparative data which is available from the prior year with respect to the reporting of the Statement of Net Assets and Statement of Activities under GASB No. 34, allows for the inclusion of comparative data for both statements in the MD&A section of this report.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984, as amended, and the U.S. Office of

Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **Reporting Entity and its Services:** Edison School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Edison Board of Education and all its schools constitute the District's reporting entity. The District provides a full range of educational services appropriate to grade levels Preschool through 12. These include regular, vocational, bilingual as well as special education for educationally handicapped youngsters.

The District operated the 2014-2015 fiscal year with an average daily enrollment (ADE) of 14,697 students, which is above the previous year's ADE. The following details the changes in the student enrollment of the district over the last ten years.

Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-2015	14,697	1.38%
2013-2014	14,497	.90%
2012-2013	14,367	1.06%
2011-2012	14,217	0.16%
2010-2011	14,194	0.01%
2009-2010	14,181	(0.00%)
2008-2009	14,194	0.01%
2007-2008	14,184	(1.98%)
2006-2007	14,471	3.52%
2005-2006	13,979	3.14%

2. **Board of Education Policy Statement:** The Public Schools of Edison Township holds as its foremost mission the continuation of its tradition of graduating students with the highest level of academic preparation. Within this context, the Public Schools of Edison Township provide each student with an opportunity to acquire the knowledge and skills needed to become responsible and productive citizens in our democratic and fast changing society and where there is nothing less than excellence.
3. **Major Initiatives:** Students continue to score above the state and national averages on the Scholastic Achievement Test (SAT). The Edison School District class of 2015 senior's combined SAT scores averaged 1674. There were 28 National Merit Scholars for the 2014-15 school year. The National Merit Scholarship Program honors individual students who show exceptional academic ability and potential for success in rigorous college studies. In addition, during the 2014-2015 school year, students took a total of 1,926 Advanced Placement tests with 91.8% of students scoring 3 or higher.

Professional Development Activities: Edison's professional development program is a comprehensive system of professional learning geared at serving the district's teachers, supervisors, administrators, and support staff in a thorough and effective manner. All program services are predicated on teacher and program needs identified in analysis of student achievement data, focus group input, school level plans, district curriculum council surveys, School Improvement Panel Committee recommendations and faculty and departmental meetings

Components of the professional development program include mandated staff development for all non-tenured teachers, totaling nine full days of training and seven classroom observation and coaching visits over a three-year period. In addition, an intensive mentoring program is provided to all provisional first year teachers, with workshops and follow-up sessions for each mentor/protégé team. The District also

provides Professional Development Institute (PDI), which offers certificated and non-certificated staff PDI hours, leading to salary increments, for their voluntary participation in an array of curriculum and instructionally relevant workshops offered after school and on weekends. More than 1,000 certificated and non-certificated staff took advantage of these after school programs during the 2014-2015 school year.

Building Projects-Renovations: During the 2014-2015 school year, the district's major improvements to the school buildings and sites included projects such as upgrades to the middle school family consumer science classrooms, a boiler replacement, locker replacements, roof section replacements, repaving and repairs to deteriorated sidewalks and parking lots. The district had completed the installation of exterior surveillance cameras at all schools. In addition, two double wide instructional trailers were placed at James Madison Intermediate School to help ease the overcrowding problem at that school. The total cost of the capital outlay projects was \$1,837,674.

The rebuilding of the James Monroe Elementary School has begun in the spring of 2015. The bid was awarded in the amount of \$19,645,000 with an anticipated completion date of 8/16/16.

Multi-Year Equity Plan: Our schools continue to promote a positive, supportive environment for learning through the Cultural Understanding Initiative. Middle schools continue to focus on bully and harassment prevention training by emphasizing student skill development in conflict resolution, active listening and empathy awareness through the Peacemakers Program. High Schools address multi-cultural and peer leadership program with elementary schools stressing a broader array of skills encompassed in the Character Counts and Positive Behavior Support In Schools Programs.

The 2007-2010 Comprehensive Equity Plan was approved by the Board on December 18, 2006, for submission to the County Superintendent. County approval was given on June 11, 2007. This three-year plan, based upon self-study, incorporates equity training, affirmative action, equality in education, staff development, minority staff-recruitment, and desegregation mandates. On May 24, 2010, the Board of Education approved the Annual Statement of Assurance for the Comprehensive Equity Plan.

The District's Equity Plan for 2007-2010 focused on equality and equity in school and classroom procedures, prohibiting harassment, annual training for certified and non-certified staff, narrowing the achievement gap and lowering the numbers of at-risk Black and Hispanic students referred to the I&RS Committee and from I&RS Committee to child study teams.

The Comprehensive Plan features the Integrated Quality Education (IQE) component. Through an outdoor environmental education program, fifth graders have the opportunity to develop positive attitudes towards people of different origins and cultures.

Elementary schools utilize the framework Character Counts to develop grade-level projects which utilized class readings and student activities to promote cultural understanding, fairness, responsibility, respect and trust.

Middle level students participate in The Peacemakers and Ripple Effects programs to ensure equity and a positive school climate, supportive guidance counseling services, and co-curricular programs for all students. The District continues to serve as a model for collaborative teaching. This past year, building-level teams of teachers, led by their principals, participated in several professional development sessions to coordinate school level achievement planning with building-based in-service workshop offerings.

The district has continued its efforts to recruit faculty/staff to increase the representation of qualified minorities in the Edison Public Schools.

New Comprehensive Equity Plan is due to the County Office by April 1, 2016 covering the 2016-2019 school years.

Technology Plan: The role of the Chief Technology Officer (CTO) includes being the district's chief technologist. As a result, the CTO is charged with identifying and promoting innovative technology solutions that best serve the district's complex teaching and learning environment.

For the 2014-2015 school year, the Edison Township Public School district continued its investment in technology infrastructure, end-user devices, and services to staff and students.

The district completed a significant step in its technology integration plan through the 1:1 Chromebook initiative in elementary grades 3 through 5.

The district implemented the HP 14 as the standard for the Chromebooks used in the 1:1 initiative. The Department of Technology distributed 3500 Chromebooks to students and staff. Along with the chromebook, each student received a Google Apps for Education account to login for such services as email and document management. Gaggles Safety Management for Google Apps was implemented for student content monitoring.

To support the Chromebook, a major investment was made in the district's wireless infrastructure. Wireless access points were strategically added as well as unified wireless SSIDs across all district buildings and a multi-layer system of network security. Network core data switches, firewalls and content filters were added, in addition to the virtualization of all servers. The upgrades were specifically engineered to operate in the district's 1Gb fiber optic network environment with the foresight to increase bandwidth without equipment 'forklift' replacements. The district continued to leverage Google Apps for Education for staff email and as a storage solution.

The district's 1:1 movement will be phased in over several years, so the district is continuing to invest in middle and high school media and computer labs with Edison High School undergoing the most innovative upgrades.

The 2015 school year was the inaugural year for the new online assessment called PARCC. The aforementioned investments made the test taking process seamless and without incident.

Promethean Boards continue to be utilized in the K-8 classrooms as an interactive/collaboration tool. The high schools are moving towards a 'college environment' for a projector solution. As the older projection units reach an 'end of life cycle' a non-interactive Epson ultra-short throw projectors with HDMI and VGA options are being installed. This solution provides the teacher with flexibility regarding the device type that can be used for classroom instruction. A Promethean interactive solution is installed in classrooms where interactivity is required.

Genesis continues to be the district's student information system with expanded features to the elementary schools. The Genesis Parent Portal, district website, mobile app, and messaging systems continue to provide a multi-platform means of external communication to parents and the public.

The Edison Township Public School district understands the importance of technology in the education process. Through strategic planning and responsible fiscal investments, Edison Public Schools is rapidly becoming New Jersey's premier district in technology integration.

Innovative Programs: The Edison schools actively pursue collaborative relationships with various agencies, ranging from local community organizations, including The Edison Municipal Alliance, JFK Hospital and Rutgers University. A summer Literacy Academy ensures identified at-risk primary grade students' benefit from an extended school year. A highly successful ESL program for parents continued in 2014-2015 held at Washington Elementary School, but open to parents from throughout the District.

The Edison Municipal Alliance, a community assistance organization, provides substance abuse prevention services and youth support programs. Assemblies promoting positive behaviors, peer leadership and peer mediation programs, and the BRIDGES middle and high school at-risk student tutoring programs are sponsored by the Municipal Alliance.

Special Education: For the 2014-2015 school year, the Edison Township Public School district provided fifteen autistic classes located across several elementary schools and one middle school. Also, the district had two multiple disabilities classes located at Menlo Park Elementary School, one multiple disabilities class at Woodrow Wilson School and John Adams Middle School and two multiple disabilities classes located at John P. Stevens High School. The district had five Learning Language Disabilities Classes from Kindergarten thru 12th grade located at James Madison Primary School, Lindeneau and Martin Luther King Elementary Schools, Herbert Hoover Middle School and Edison High School. Additionally, the district had eight half-day pre-school disabled classes, four integrated half-day classes, and nine full-day pre-school disabled classes. All of these classes incorporate several daily inclusive programming opportunities. These classes were located at both the Early Learning Center and the Franklin D. Roosevelt buildings. The district also provided both in-class and pull-out resource programs and individual supplemental aides and services which helps students to remain in their home schools in the least restrictive environment. Finally, several elementary schools used PBSIS as part of Character Education. The district continues to address the quality of instruction delivered to students by providing teachers with in-service training. In-service activities are organized and implemented to improve and reinforce the skills and knowledge for effective classroom teaching and learning. In-services programs include topics such as the Phonics First, High Scope Curriculum, social skills; instructional techniques based on the philosophy of applied behavior analysis (ABA), *Crisis Prevention Institute (CPI)* training, differentiated instruction, and multi-sensory instruction.

The district provides a variety of services and training opportunities for parents. Parent training workshops and specialized parent clinics are presented by the district Behaviorists and other Child Study Team members in collaboration with the special education teachers and related service providers. These workshops and parent clinics provide support and teach skills to parents who need additional assistance and are focused on helping students generalize skills outside of the school setting. The district has a Special Education Advisory Council and a separate Parent Advisory Committee, which meets regularly. The district provides additional supports for parents and teachers through web-based training modules at Rethink (www.rethinkfirst.com). Finally, the district directs parents to and assists them in accessing appropriate community-based and state level resources and supports.

Community Involvement: Throughout the year, active community involvement is planned, fostered, and carried out. Students host various activities for neighborhood senior citizens. K-12 school students, with the support of teachers and community members, participate in the City of Hope Walkathon to raise funds for breast cancer research. This district has set four major goals for the 2015-2016 school year:

- To improve the quality of our parental involvement and engagement throughout the district, we will develop and implement district monthly parent programs in all schools for the 2015-16 school year that will focus on meeting district goals. The district will conduct at least five (5) district-wide workshops for parents and a parent satisfaction survey will be administered after each workshop with a 75% parent approval rating indicating sufficient attainment of the goal of the parent workshop.

Program Enhancement and Enrichment: The district continues to prioritize academic achievement for all learners in a productive school climate given the following initiatives:

Elementary Schools

- 2014-15 was first year of 1:1 Chromebook initiative, resulting in increased technology integration in classrooms
- Early intervention support provided to identified at-risk students through after school tutorial programs
- G&T expanded to 3 cycles, one STEM, one Math, and one Language Arts for grades 3-5, with a push in program for grades 1 and 2

Middle Schools

- Utilized i-Ready on-line testing at all middle schools to provide the teacher with students academic strengths and weakness to help guide their instructional planning. Students have access to on-line individualized lessons geared toward strengthening their achievement
- Programs for students needing additional support in Language Arts and Mathematics were offered before and after school

High Schools

- Offered on-line SAT prep program
- Identified students struggling in math and assigned them to work with one of two Math Interventionists
- Expanded levels of Mandarin and Italian
- Continued Science and Engineering Academy at Edison High School

4. Economic Condition and Outlook: The Township of Edison continues to enjoy the benefits of its significant ratable base, one of the largest in the State of New Jersey. While the economic situation affecting the U.S and this region has resulted in a reduction in assessed valuations in recent years, it is expected further growth will continue in the industrial and commercial areas of the Township because of its proximity to major markets and accessibility by rail, interstate highways and waterways. The U.S. Census Bureau, Sales Management Magazine and the New Jersey Department of Labor and Industry recognize the Township's contributions to economic life to the region and record separate tabulations of statistics for the Township of Edison. The 2010 U.S. Census Bureau reported the Township's median family income to be \$86,725 as compared to the State average of \$71,274, and the Township's per capita income at \$36,464, compared to the State average of \$35,336.
5. Management's Responsibility for Financial Reporting: The management of the school district is responsible for the preparation of the financial statements included within the CAFR and for their integrity and objectivity. In order to enable the District to fulfill its obligation for accurate and fair financial reporting, management is also responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognized that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control structure, including that portion related to federal and state financial assistance programs, as well as to determine that the District has complied with applicable laws and regulations.

6. Budgetary Controls: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

7. Accounting System and Reports: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.
8. Financial Information at Fiscal Year-End: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The District also continues to provide the excellent educational environment found in the Edison Public Schools at a cost per pupil factor that is well below the regional and state averages. This is due in part to the District's costs incurred for administrative services, which are also well below the respective regional and state averages. Information related to the District's financial statements and condition is found in the Financial Section and Statistical Section of this report.
9. Debt Administration: Effective November 3, 1992, as a result of a decision by the electorate, the Board operates as a Type II District. Prior to that date, the Board was classified as a Type I School District and the Board did not issue debt as an autonomous agency. Type I debt for the school district was issued by the Township of Edison as a direct obligation of the municipality. At June 30, 2015, the balance of funds available in the capital projects fund totals \$5,397,413.73 as a result of the James Monroe fire related expenditures. Also at June 30, 2015, the District has Type II Debt of \$6,320,000.00 and obligations due on lease-purchase transactions in the amount of \$7,205,000.00. There is no longer any Type I District debt outstanding.
10. Cash Management: The investment policy of the District is guided in large part by state statute as detailed in the "Notes to Financial Statements", Note 2. The District deposits its funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.
11. Risk Management: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents fidelity bonds, health insurance benefit plan and workers' compensation fund.

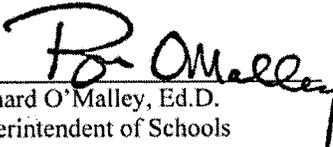
12. Other Information:

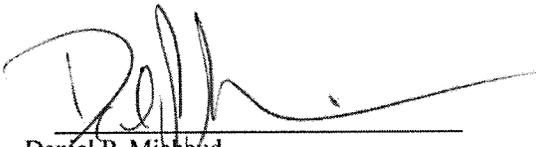
A. Independent Audit: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik & Morrison, P.A., CPA's, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984, as amended, and the related OMB Circular A-133 and New Jersey OMB Circular 04-04. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

13. Acknowledgments:

We would like to express our appreciation to the members of the Edison School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our administrative office staff.

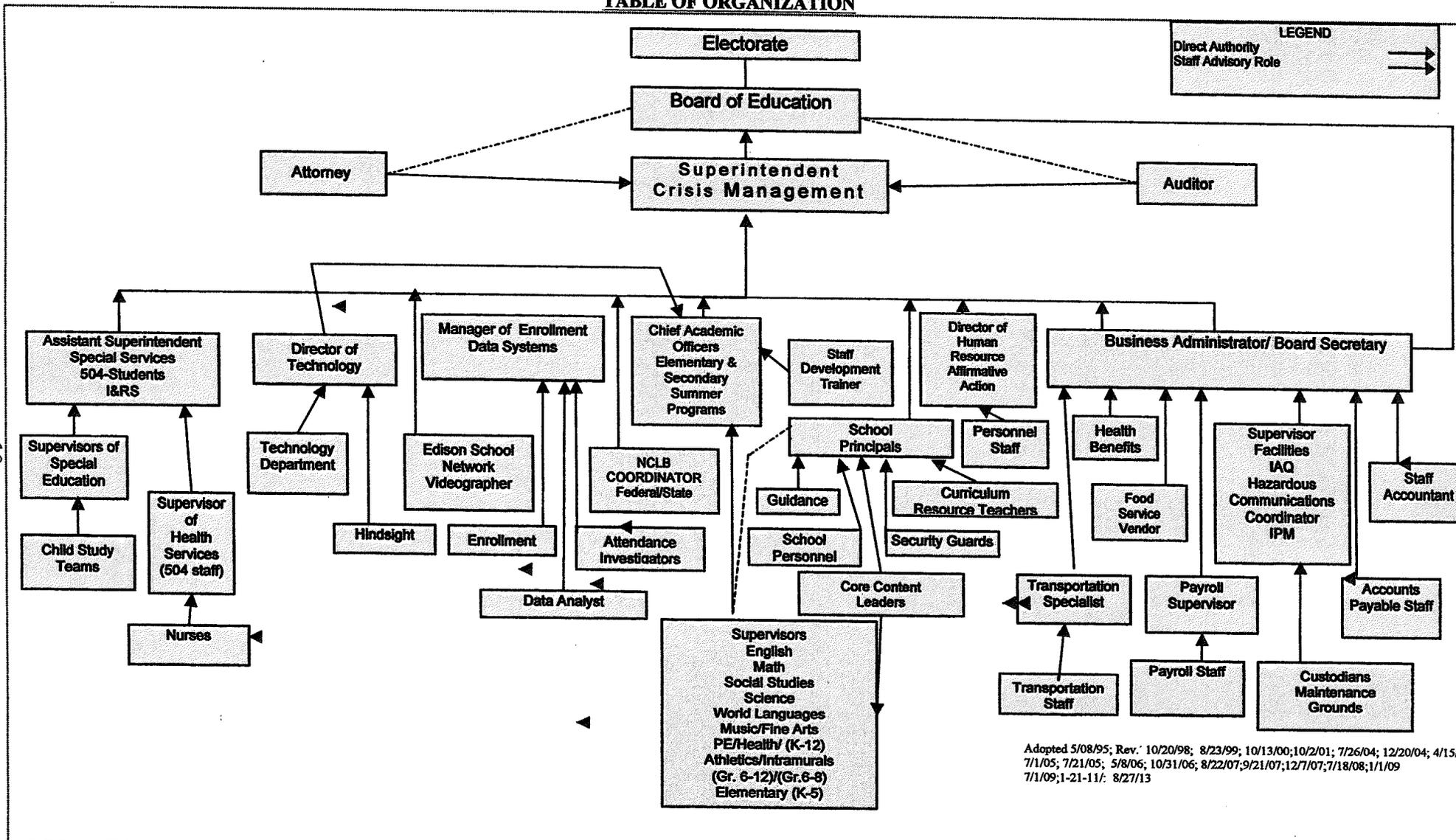
Respectfully submitted,


Richard O'Malley, Ed.D.
Superintendent of Schools


Daniel P. Michaud
Board Secretary/Business Administrator

PUBLIC SCHOOLS OF EDISON TOWNSHIP

TABLE OF ORGANIZATION



-10-

EDISON BOARD OF EDUCATION
MIDDLESEX COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
JUNE 30, 2015

Members of the Board of Education

Term Expires

Veena Iyer, President	2016
Dr. Frank Heelan, Vice President	2017
Deborah A. Anes	2015
Lori A. Bonderowitz	2016
Lora L. Fong	2015
Margot Harris	2015
Beth Moroney	2017
Jingwei (Jerry) Shi	2017
Theresa E. Ward	2016

Other Officials

Richard J. O'Malley, Ed.D., Superintendent of Schools

Margaret DeLuca, Chief Academic Officer/Secondary Education

Tara Beams, Assistant Superintendent/Elementary Education

Christopher Conklin, Assistant Superintendent of Pupil/Special Services

Daniel P. Michaud, Business Administrator/Board Secretary

The Busch Law Group LLC, Board Attorney

TOWNSHIP OF EDISON SCHOOL DISTRICT
CONSULTANTS AND ADVISORS

ARCHITECT

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OFFICIAL DEPOSITORY

Investors Bank
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Edison, NJ 08837

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Edison School District
Edison, New Jersey

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Board of Education of the Edison School District, in the County of Middlesex, State of New Jersey, as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Edison School District, in the County of Middlesex, State of New Jersey, as of June 30, 2015 and the respective changes in financial position where applicable, cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, during the fiscal year ending June 30, 2015, the Edison School District implemented the provisions of Statement Number 68 of the Governmental Accounting Standards Board (GASB 68). GASB 68 changed the measurement criteria and reporting provisions relating to the District's proportionate share (if any), of the net pension liability of the defined benefit pension plans in which its employees are enrolled. The accompanying statement of net position discloses the District's net pension liability and pension plan related deferred outflows and deferred inflows of financial resources. The accompanying statement of activities and Note 17 to the financial statements disclose the adjustments to the District's beginning net position based upon GASB 68 implementation. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Edison School District's basic financial statements as a whole. The accompanying other supplementary information, consisting of the combining and individual fund financial statements and long-term debt schedules, as listed in the table of contents, the schedules of expenditures of federal awards and state financial assistance required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid* respectively, and other information, including the introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, long-term debt schedules, schedules of expenditures of federal awards and state financial assistance are the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other

additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules and schedule of expenditures of federal awards and state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2015 on our consideration of the Edison School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* in considering the Edison School District's internal control over financial reporting and compliance.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants



Andrew G. Hodulik
Public School Accountant
PSA # 841

Highland Park, New Jersey
December 4, 2015

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART I

EDISON TOWNSHIP SCHOOL DISTRICT

Edison, New Jersey
Middlesex County

MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)

(Unaudited)

June 30, 2015

This section of the district's annual financial report presents a discussion and analysis of the district's financial performance during the fiscal year ending June 30, 2015. It should be read in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 Basic Financial Statement—and Management's Discussion and Analysis—for State and Local Governments issued June 1999 and amended by GASB Statement No. 37. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2014-2015 fiscal year include the following:

Total net position for governmental activities is reported at \$149,296,707.56 at June 30, 2015. This represents an increase of \$91,133,747.43 or 156.69% over the prior year reported net position, as restated to implement GASB Statement No. 68. This increase is primarily the result of additional funding received, a positive variance in expenditures during the reporting period and fixed asset acquisitions. Governmental funds reported a total fund balance of \$20,533,240.66, which is a 48.53% increase over last year's total governmental fund balance. The general or operating fund balance is reported at \$15,106,137.84, representing capital, maintenance and emergency reserves of \$8,254,265.64; regulatory excess surplus of \$2,325,345.79; assigned fund balance designated for subsequent years expenditures of \$718,390.51 and unassigned general fund balance in the amount of \$2,526,527.41. The ending fund balance was impacted by the non-recognition, on a GAAP basis, of State Aid payments deferred to July 2015 in the amount of \$1,810,337.00 in the general fund that was due the district at June 30, 2015. Total expenditures for all governmental funds were \$246,442,590.70, which included transfers out to charter schools and other items, including expenditures related to the James Monroe Fire Recovery. Total revenues were \$251,315,632.48 with a total change in fund balances of \$6.709 million for the year. Revenues included \$46.727 million in state and federal aid and \$193.997 million in local taxes.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are district-wide financial statements that provide both short-term and long-term information about the district's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the district, reporting the district's operations in more detail than the district-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the district operated like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationship in which the district acts solely as a trustee or agent for the benefits of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1
Organization of the School District Annual Financial Report

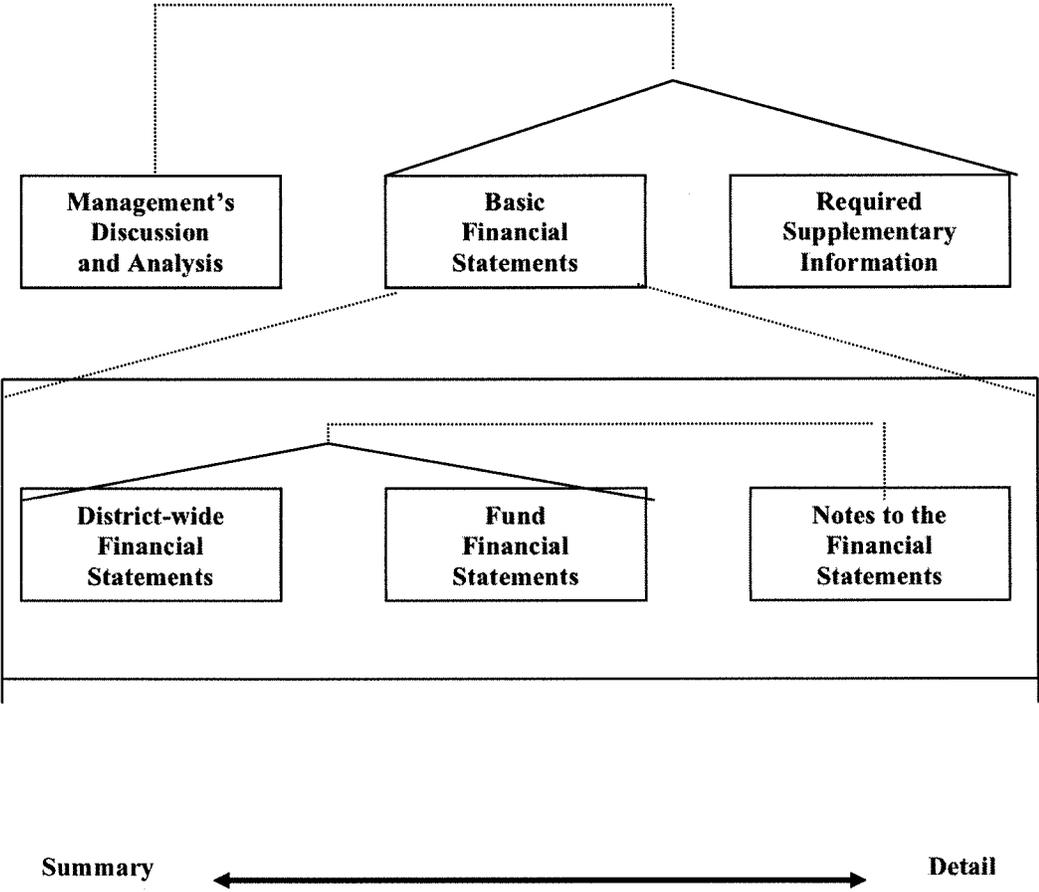


Figure A-2 summarizes the major features of the district’s financial statements, including the portion of the district’s activities they cover and the types of information they contain. The remainder of this overview section of management’s discussion and analysis highlights that structure and contents of each of the statements.

Figure A-2 Major Features of the District-Wide and Fund Financial Statements				
	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies
Required financial Statements	<ul style="list-style-type: none"> Statement of net position Statement of activities 	<ul style="list-style-type: none"> Balance Sheet Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of cash flows 	<ul style="list-style-type: none"> Statement of fiduciary net position Statement of changes in fiduciary net position
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

District-wide Statements

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's net position and how they have changed. Net position - the difference between the district's assets and liabilities - is one way to measure the district's financial health or position.

- Over time, increases or decreases in the district's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider that the school district's goal is to provide services to students, not to generate profit as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the district.

In the district-wide financial statements, the district's activities are divided into two categories:

- **Governmental activities:** Most of the district's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state formula aid finance most of these activities.
- **Business-type activities:** The district charges fees to help it cover the costs of certain services it provides. The district's adult education programs and food services are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The district has three kinds of funds:

- **Governmental funds:** Most of the district's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or differences) between them.
- **Proprietary funds:** Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's enterprise funds (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The district uses internal service funds (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The district currently has one internal service fund, the workers' compensation fund.
- **Fiduciary funds:** The district is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund and the student activities funds. The district is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The district excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$149,296,707.56 at June 30, 2015. Of this amount, \$2,526,527.41 was unrestricted. Restricted net position are reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net position for day-to-day operations. The following analysis focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

The \$2,526,527.41 amount in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our non-capital liabilities (compensated absences for example), we would have a \$2,526,527.41 balance.

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of Activities. Figure A-4 takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Figure A - 3
Net Position

	Governmental Activities 2015	Governmental Activities 2014*	% Increase (Decrease)	Increase/ Decrease
Assets				
Current and other assets	\$ 23,294,516	\$ 23,294,516	0.00%	\$ -
Capital assets	114,298,054	114,298,054	0.00%	\$ -
Total assets	<u>137,592,570</u>	<u>137,592,570</u>	0.00%	<u>\$ -</u>
Deferred outflow of resources				
Deferred amount on refinancing	100,221	141,044	-28.94%	\$ (40,823)
Pension Payment Subsequent to Measurement l	2,429,817	2,362,477	2.85%	\$ 67,340
Change in Pension Assumption	1,687,187		#DIV/0!	\$ 1,687,187
Change in Pension Proportion	2,560,929		#DIV/0!	\$ 2,560,929
Total deferred outflows of resources	<u>6,778,154</u>	<u>2,503,521</u>	170.74%	<u>\$ 4,274,633</u>
Liabilities				
Current and other liabilities	10,928,275	13,389,349	-18.38%	\$ (2,461,074)
Long-term liabilities	67,919,578	68,543,782	-0.91%	\$ (624,204)
Total liabilities	<u>78,847,853</u>	<u>81,933,131</u>	-3.77%	<u>\$ (3,085,278)</u>
Deferred inflows of resources				
Difference in Pension Earnings	3,197,519		#DIV/0!	\$ 3,197,519
Total deferred inflows of resources	<u>3,197,519</u>	<u>-</u>	#DIV/0!	<u>3,197,519</u>
Net position				
Net position invested in capital assets net of debt	100,882,684	97,494,793	3.47%	\$ 3,387,891
Restricted	18,635,666	10,805,180	72.47%	\$ 7,830,486
Unrestricted	(52,267,015)	(50,137,013)	-4.25%	\$ (2,130,002)
Total net position	<u>\$ 67,251,336</u>	<u>\$ 58,162,960</u>	15.63%	<u>\$ 9,088,376</u>

* -Reflects restatement to implement GASB Statement No.68.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Figure A - 4
Change in Net Position

	<u>2015</u>	<u>2014</u>	<u>Increase (Decrease)</u>
Revenues:			
Program revenue			
State grants & entitlements	\$ 22,861,698	\$ 19,812,659	\$ 3,049,040
General revenue			
Local tax levy	193,997,198	190,191,009	3,806,189
Federal and state aid	23,865,059	22,531,230	1,333,830
Miscellaneous revenues (Incl. special items & transfers)	10,591,677	7,216,395	3,375,282
Total general revenues	<u>228,453,934</u>	<u>219,938,634</u>	<u>8,515,300</u>
Total revenues	<u>\$ 251,315,632</u>	<u>\$ 239,751,293</u>	<u>\$ 11,564,340</u>
Function/program expense:			
Instruction			
Regular programs	85,784,306	81,833,869	3,950,437
Special programs	20,327,805	22,637,646	(2,309,840)
Other Instructional programs	1,949,085	1,827,688	121,397
Support services			
Student services	27,074,494	21,421,216	5,653,278
Tuition	10,347,435	11,097,935	(750,501)
Instructional staff support			
General administration and business services	6,798,706	6,348,868	449,838
School administration	6,785,658	6,596,004	189,654
Plant services	16,550,505	16,413,203	137,301
Student transportation	10,836,391	10,083,828	752,563
Unallocated benefits	53,867,809	48,838,297	5,029,512
Unallocated depreciation and amortization	1,285,512	1,361,770	(76,258)
Community service	332,925	343,070	(10,145)
Interest on long-term debt	286,626	353,360	(66,734)
Other related capital assets and debt (net)		54,500	(54,500)
Transfers			-
Total expenses	<u>\$ 242,227,257</u>	<u>\$ 229,211,254</u>	<u>\$ 13,016,003</u>
Increase (Decrease) net position	<u>\$ 9,088,376</u>	<u>\$ 10,540,038</u>	<u>\$ (1,451,663)</u>

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

Governmental Activities

As reported in the Statement of Activities, the cost of all our governmental activities this year, including other charges, was \$229,211,254. These costs were financed by \$193,997,198 in local property school taxes \$46,76,758 in federal and state aid and \$10,591,677 in miscellaneous revenues including interest, general entitlements, special items and transfers.

In Figure A-5, below, we have presented the cost of each of the school district's seven largest functions as listed below. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by the function.

Figure A-5

Governmental Activities

Total Cost of Services

	<u>Year Ended</u> <u>June 30, 2015</u>	<u>Year Ended</u> <u>June 30, 2014</u>
Regular programs instruction	85,784,306	\$81,833,869
Unallocated benefits	53,867,809	48,838,297
Special programs instruction	20,327,805	22,637,646
Student services	29,023,580	23,248,905
Plant services	16,550,505	16,413,203
Tuition	10,347,435	11,097,935
Pupil transportation	10,836,391	10,083,828
All others	<u>15,489,426</u>	<u>15,057,571</u>
Total	<u>\$242,227,257</u>	<u>\$229,211,254</u>

Financial Analysis of the District's Funds

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district's overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$20,533,241, which is an increase of \$6,708,753 from last year. As noted previously, the reported governmental fund balance is impacted by the non-recognition, on a GAAP basis, of State Aid payments deferred to July 2015 in the combined amount of \$1,810,337.

General Fund Budgetary Highlights

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a deficiency/deficit.

Actual revenues reflect a positive variance of \$11.6 million. This is due primarily to the State reimbursement in the amount of \$22.6 million for TPAF On-Behalf pension non-contributory insurance, post retirement medical contributions and TPAF social security contributions. This is always a non-budgeted item that the State requires be included in the District's financial statements.

Actual expenditures reflect a negative variance of \$13.0 million even though several budget lines show a positive variance. This again is primarily due to the State requirement to include TPAF On-behalf pension and post retirement medical contributions and TPAF social security contributions in the financial statements.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2015, the school district had \$195,796,112 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements and furniture and equipment. Net governmental capital assets realized a net increase (including additions, deductions and depreciation) of \$1,443,353, or 1.26%, from last year.

Figure A-6
Capital Assets at Year-End

<u>Governmental Activities</u>	<u>2015</u>	<u>2014</u>
Land	\$20,571,074	\$20,571,074
Buildings and Improvements	148,956,104	145,414,259
Furniture, Equipment and Vehicles	<u>26,268,934</u>	<u>21,603,719</u>
Total	<u>\$195,796,112</u>	<u>\$187,589,052</u>

As noted above, this year's net additions are reported at \$8,207,060. The additions were financed through state grants, a lease purchase agreement, and capital outlay appropriations, including fire recovery proceeds.

Long-Term Debt

At the end of this year, the school district had \$14,681,502 in bonds (Type II debt), capital leases and lease purchase agreements outstanding versus \$16,657,531 the previous year – a decrease of 18.81%. The long-term debt at of the District consisted of:

Figure A-7
Outstanding Debt, at Year-End

<u>Governmental Activities</u>	<u>2015</u>	<u>2014</u>
Lease purchase obligations & capital leases	\$8,361,502	\$9,402,531
General obligation bonds (Type II debt)	<u>6,320,000</u>	<u>7,255,000</u>
Total	<u>\$14,681,502</u>	<u>\$16,657,531</u>

The school district's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4% (for K through 12 districts) of the most recent three-year average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding and authorized but not issued general obligation debt (Type II debt) of \$6,320,000 at June 30, 2015, is significantly below the statutorily-imposed debt limit.

Other obligations include accrued vacation pay and sick leave. We present more detailed information about our long-term liabilities in the notes to the financial statement.

THE FACTORS AFFECTING DISTRICT'S FUTURE

- The district's equalization, transportation, special education and security state aids were frozen at the 2013-2014 levels; but the state did provide two new categories to help pay for several new state mandates. The new aids were PARCC Readiness Aid and Per Pupil Growth Aid. Both new aids were for \$142,270 for a total of \$284,540. The major concern is that the district's enrollment continues to increase by over 1% each year and the lack of additional state aid is causing the ever increasing majority of the tax burden left to the local residents. The district is hoping that the state will one day fund New Jersey school districts in accordance with the state's own adopted funding formula.
- Edison Township has realized a second straight year of increases to its ratable base. The increase of over \$36 million has helped to reduce the tax increase in 2014-2015. Edison has shown signs of continued growth in its tax base.
- The Edison Board of Education is in its second year of a three year agreement with the Edison Township Education Association that expires on June 30, 2017. During the 2014-2015 school year, the district successfully reached a three year agreement with the Edison Township Principals & Supervisors Association that will expire on June 30, 2018. The district is still in negotiations with the Edison Public Schools Custodian & Maintenance Association whose contract had expired on June 30, 2013. The collective bargaining process has passed the mediation stage and is heading towards the fact finding stage.
- The Edison Township Board of Education has been facing an overcrowding problem for the better part of two decades in nearly all of its schools. In order to help ease this problem, the district has provided six relocatable classrooms at John P. Stevens High School (3), James Madison Intermediate School (2) and the Franklin D. Roosevelt School (1). In addition, the district has begun a construction project at Menlo Park School, which currently educates well over 800 students. The addition will provide eight additional classrooms, a gymnasium and a cafeteria. The district has plans in place to begin a construction project at the Woodbrook School, which has an enrollment of well over 900 students. The Woodbrook addition is proposed to start during the 2016-2017 school year.
- The new James Monroe School, which was destroyed by fire on March 22, 2014, is under construction and scheduled to be completed during the summer of 2016, in time for use in the 2016-2017 school year. The funding for the new James Monroe School was expected to be provided through the district's risk insurance company; however, disputes regarding coverage and costs forced the district to file suit against the insurance company. With the possibility of a lengthy court battle to secure the funds to rebuild James Monroe School, the district decided to hold a special election on March 10, 2015 for the needed funding through a referendum. The insurance company had provided \$9,493,934 towards the new school. The question stated that the district could sell bonds up to \$18,633,862 in order to provide the necessary funds to bid and award the reconstruction project. The stipulation was, that any funds received from the insurance company would be used to pay down the debt caused by the sale of the bonds. The voters approved the referendum question 2,025 to 1,263. The district did not need to sell any bonds through June 30, 2015. The district recently reached a settlement with the insurance company for a total of \$23,600,000. Although this amount is not sufficient to fully fund the reconstruction of the school, the district has a capital reserve fund that can be appropriated so the district will not need to sell any of the authorized bonds.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Daniel P. Michaud, Business Administrator/Board Secretary, at Edison Township Board of Education, 312 Pierson Avenue, Edison, New Jersey 08837.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

SECTION – A

EDISON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 12,561,481.42	\$ 1,224,222.59	\$ 13,785,704.01
Receivables, net	3,012,035.72	160,922.36	3,172,958.08
Receivables from other funds	2,949,363.63		2,949,363.63
Inventory		88,955.31	88,955.31
Restricted assets - cash and cash equivalents	8,254,265.64		8,254,265.64
Capital assets:			
Nondepreciable assets	22,875,145.76		22,875,145.76
Depreciable assets, net	92,866,261.38	249,442.69	93,115,704.07
Total assets	<u>142,518,553.55</u>	<u>1,723,542.95</u>	<u>144,242,096.50</u>
DEFERRED OUTFLOWS OF RESOURCES			
Change in Pension Assumptions	1,687,187.00		1,687,187.00
Change in Pension Proportion	2,560,929.00		2,560,929.00
Pension Payment Subsequent to Measurement Date	2,429,817.00		2,429,817.00
Deferred amount on refinancing	100,221.01		100,221.01
Total deferred outflows of resources	<u>6,778,154.01</u>		<u>6,778,154.01</u>
Total assets and deferred outflows of resources	<u>\$ 149,296,707.56</u>	<u>\$ 1,723,542.95</u>	<u>\$ 151,020,250.51</u>
LIABILITIES			
Accounts payable	3,740,125.57		3,740,125.57
Accrued interest payable	104,013.81		104,013.81
Interfund payable	1,892,033.32	1,057,330.31	2,949,363.63
Claims payable	594,715.38		594,715.38
Deferred revenue	1,099,505.24	111,949.23	1,211,454.47
Noncurrent liabilities:			
Due within one year	3,497,881.57		3,497,881.57
Due beyond one year	14,265,035.98		14,265,035.98
Net Pension Liability	53,654,542.00		53,654,542.00
Total liabilities	<u>78,847,852.87</u>	<u>1,169,279.54</u>	<u>80,017,132.41</u>
DEFERRED INFLOWS OF RESOURCES			
Difference in Pension Earnings	3,197,519.00		3,197,519.00
Total deferred inflows of resources	<u>3,197,519.00</u>		<u>3,197,519.00</u>
NET POSITION			
Invested in capital assets, net of related debt	100,882,684.35	249,442.69	101,132,127.04
Restricted for:			
Capital projects, maintenance and emergency	13,651,679.37		13,651,679.37
Debt Service	29,689.09		29,689.09
Other Purposes	4,954,297.52		4,954,297.52
Unrestricted (Deficit)	(52,267,014.64)	304,820.72	(51,962,193.92)
Total net position	<u>\$ 67,251,335.69</u>	<u>\$ 554,263.41</u>	<u>\$ 67,805,599.10</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 149,296,707.56</u>	<u>\$ 1,723,542.95</u>	<u>\$ 151,020,250.51</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**EDISON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction:							
Regular	\$ 85,784,305.85	\$	\$	\$	(85,784,305.85)	\$	(85,784,305.85)
Special education	19,316,495.93				(19,316,495.93)		(19,316,495.93)
Other special instruction	1,011,309.31				(1,011,309.31)		(1,011,309.31)
Other instruction	1,949,085.32				(1,949,085.32)		(1,949,085.32)
Support services:							
Tuition	10,347,434.50				(10,347,434.50)		(10,347,434.50)
Student & instruction related services	27,074,494.35				(27,074,494.35)		(27,074,494.35)
School administrative services	6,785,657.89				(6,785,657.89)		(6,785,657.89)
General and business administrative services	6,798,706.49				(6,798,706.49)		(6,798,706.49)
Plant operations and maintenance	16,550,504.55				(16,550,504.55)		(16,550,504.55)
Pupil transportation	10,836,390.90				(10,836,390.90)		(10,836,390.90)
Unallocated benefits	53,867,808.96		22,606,846.45		(31,260,962.51)		(31,260,962.51)
Special schools	332,925.41				(332,925.41)		(332,925.41)
Interest on long-term debt	286,625.88		254,852.00		(31,773.88)		(31,773.88)
Unallocated depreciation and amortization	1,285,511.58				(1,285,511.58)		(1,285,511.58)
Total governmental activities	<u>242,227,256.92</u>	<u>-</u>	<u>22,861,698.45</u>	<u>-</u>	<u>(219,365,558.47)</u>	<u>-</u>	<u>(219,365,558.47)</u>
Business-type activities:							
Food Service	4,814,955.40	2,672,971.22	2,251,238.55			109,254.37	109,254.37
Total business-type activities	<u>4,814,955.40</u>	<u>2,672,971.22</u>	<u>2,251,238.55</u>	<u>-</u>	<u>-</u>	<u>109,254.37</u>	<u>109,254.37</u>
Total primary government	<u>\$ 247,042,212.32</u>	<u>\$ 2,672,971.22</u>	<u>\$ 25,112,937.00</u>	<u>\$ -</u>	<u>\$ (219,365,558.47)</u>	<u>\$ 109,254.37</u>	<u>\$ (219,256,304.10)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purposes, net				\$ 192,344,442.00	\$ -	\$ -	\$ 192,344,442.00
Taxes levied for debt service				1,652,756.00	-	-	1,652,756.00
Federal and State aid not restricted				17,934,321.70	-	-	17,934,321.70
Federal and State aid restricted				5,930,737.53	-	-	5,930,737.53
Tuition received				679,042.35	-	-	679,042.35
Fire Recovery				8,310,722.60	-	-	8,310,722.60
Miscellaneous Income				2,173,011.85	-	-	2,173,011.85
Transfers in (Out)				(571,100.00)			(571,100.00)
Total general revenues, special items, extraordinary items and transfers				<u>228,453,934.03</u>	<u>-</u>	<u>-</u>	<u>228,453,934.03</u>
Change in Net Position				9,088,375.56		109,254.37	9,197,629.93
Net Position—beginning				109,901,310.13		445,009.04	110,346,319.17
Prior Period Adjustment - GASB 68 Implementation				(51,738,350.00)			(51,738,350.00)
Net Position—ending				<u>\$ 67,251,335.69</u>	<u>\$</u>	<u>445,009.04</u>	<u>\$ 58,607,969.17</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

FUND FINANCIAL STATEMENTS

SECTION – B

GOVERNMENTAL FUNDS

**EDISON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 7,058,118.94	-	\$ 5,046,452.20	\$ 29,689.09	\$ 12,134,260.23
Cash - Trustee			377,195.89		377,195.89
Due from other funds	1,070,086.46		3,776.36		1,073,862.82
Receivables from other governments	2,291,802.75	653,440.97	14,155.00		2,959,398.72
Other receivables		52,637.00			52,637.00
Restricted - Cash and cash equivalents	<u>8,254,265.64</u>				<u>8,254,265.64</u>
Total assets	<u>18,674,273.79</u>	<u>706,077.97</u>	<u>5,441,579.45</u>	<u>29,689.09</u>	<u>24,851,620.30</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	760,493.23	430,841.62	44,165.72		1,235,500.57
Payables to state government		74,808.00			74,808.00
Interfund payable	1,895,809.68	12,756.15	-		1,908,565.83
Deferred revenue	<u>911,833.04</u>	<u>187,672.20</u>			<u>1,099,505.24</u>
Total liabilities	<u>3,568,135.95</u>	<u>706,077.97</u>	<u>44,165.72</u>		<u>4,318,379.64</u>
Fund Balances:					
Restricted for:					
Capital, maintenance and emergency reserve account	8,254,265.64				-
Debt Service				29,689.09	29,689.09
Excess surplus - prior year	1,281,608.49				1,281,608.49
Excess surplus - current year	2,325,345.79				2,325,345.79
Committed for:					
Capital projects			5,397,413.73		5,397,413.73
Assigned:					
Designated for Subsequent Years Expenditures	718,390.51				718,390.51
Unassigned	<u>2,526,527.41</u>				<u>2,526,527.41</u>
Total Fund balances	<u>15,106,137.84</u>	<u>-</u>	<u>5,397,413.73</u>	<u>29,689.09</u>	<u>20,533,240.66</u>
Total liabilities and fund balances	<u>\$ 18,674,273.79</u>	<u>\$ 706,077.97</u>	<u>\$ 5,441,579.45</u>	<u>\$ 29,689.09</u>	<u>\$ 24,851,620.30</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

EDISON TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

Amounts reported for <i>governmental activities</i> in the statement of net assets (A-1) are different because:	\$ 20,533,240.66
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$195,796,111.96 and the accumulated depreciation is \$92,866,261.38.	115,741,407.14
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Illustrative Note 4).	(17,485,476.19)
Short-term Liabilities, including accrued interest on long-term debt, are not due payable in the current period and therefore are not reported as liabilities in the funds.	(104,013.81)
Transactions related to a current refunding of a long-term debt, refinancing of lease agreement are not reported in the funds.	
Issuance discount, net of amortization	-
Issuance premium, net of amortization	(277,441.36)
Deferred amount on refunding, net of amortization	100,221.01
Internal Service Fund -- Workers Compensation	1,347,343.24
The Net Pension Liability, and associated Deferred Inflows and Outflows of Resources of the District relating to its participation in the PERS system are not recognized in the funds using the current financial resources measurement focus, but are recognized in the statement of net position using the economic resources measurement focus. The decrease in net position is \$52,603,945. The carrying amounts of the individual components are as follows:	
Deferred Outflows of Resources:	
Change in Pension Assumptions	1,687,187.00
Change in Pension Proportion	2,560,929.00
Pension Payment Subsequent to Measurement Date	2,429,817.00
Accounts Payable for Pension Expense	(2,429,817.00)
Net Pension Liability	(53,654,542.00)
Deferred Inflows of Resources:	
Difference in Pension Earnings	(3,197,519.00)
Net assets of governmental activities	\$ <u>67,251,335.69</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**EDISON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local tax levy	\$ 192,344,442.00			\$ 1,652,756.00	\$ 193,997,198.00
Tuition charges	679,042.35				679,042.35
Transportation charges	1,086,685.25				1,086,685.25
Miscellaneous	1,013,868.88				1,013,868.88
Local sources		72,457.72			72,457.72
State sources	40,132,615.53	981,690.97		254,852.00	41,369,158.50
Federal sources	408,552.62	4,949,046.56			5,357,599.18
Total revenues	<u>235,665,206.63</u>	<u>6,003,195.25</u>	<u>-</u>	<u>1,907,608.00</u>	<u>243,576,009.88</u>
EXPENDITURES					
Current:					
Regular instruction	79,389,242.21	1,392,199.15			80,781,441.36
Special education instruction	19,316,495.93				19,316,495.93
Other special instruction	1,011,309.31				1,011,309.31
Other instruction	1,949,085.32				1,949,085.32
Support services and undistributed costs:					
Tuition	10,347,434.50				10,347,434.50
Student & instruction related services	21,026,601.43	4,610,996.10			25,637,597.53
School administrative services	6,785,657.89				6,785,657.89
General & other administrative services	6,798,706.49				6,798,706.49
Plant operations and maintenance	16,550,504.55				16,550,504.55
Pupil transportation	10,836,390.90				10,836,390.90
Unallocated Benefits	52,875,107.61				52,875,107.61
Special schools	332,925.41				332,925.41
Debt service:					
Principal				1,580,082.22	1,580,082.22
Interest and other charges				297,837.78	297,837.78
Cost of Issuance					-
Capital outlay	8,117,359.87		2,526,447.68		10,643,807.55
Total expenditures	<u>235,336,821.42</u>	<u>6,003,195.25</u>	<u>2,526,447.68</u>	<u>1,877,920.00</u>	<u>245,744,384.35</u>
Excess (Deficiency) of revenues over expenditures	<u>328,385.21</u>	<u>-</u>	<u>(2,526,447.68)</u>	<u>29,688.00</u>	<u>(2,168,374.47)</u>
OTHER FINANCING SOURCES (USES)					
Insurance - Fire Recovery			8,310,722.60		8,310,722.60
Capital leases (non-budgeted)	1,137,504.58				1,137,504.58
Transfers out - Charter School	(571,100.00)				(571,100.00)
Total other financing sources and uses	<u>566,404.58</u>	<u>-</u>	<u>8,310,722.60</u>	<u>-</u>	<u>8,877,127.18</u>
Net change in fund balances	894,789.79	-	5,784,274.92	29,688.00	6,708,752.71
Fund balance—July 1	14,211,348.05		(386,861.19)	1.09	13,824,487.95
Fund balance—June 30	<u>\$ 15,106,137.84</u>	<u>\$ -</u>	<u>\$ 5,397,413.73</u>	<u>\$ 29,689.09</u>	<u>\$ 20,533,240.66</u>

The accompanying Notes to Financial Statements are an integral part of this exhibit.

**EDISON TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

Total net change in fund balances - governmental funds (from B-2) **\$ 6,708,752.71**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.

	Depreciation expense	(6,220,107.17)	
	Capital outlays	<u>7,663,459.93</u>	1,443,352.76

Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 2,981,139.13

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

Proceeds of long-term debt		-	
Proceeds of Refunding Bonds			
Defeasance of Refunded Bonds			
Lease Purchase Agreements			
Capital lease proceeds			(425,535.13)

In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-) -

In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition/subtraction in the reconciliation. 11,211.90

In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+). (26,778.75)

Transactions related to the refunding of long-term debt, refinancing of lease obligations (costs of issuance, premium on refinancing, deferred amount on refinancing)

Amortization Expense - Net (41,490.15)

Internal Service Fund-Workers Compensation, change in net assets (127,106.35)

Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense differs from the expenditure reported in the funds is as recorded. (865,595.00)

Change in net assets of governmental activities **\$ 9,657,951.12**

The accompanying Notes to Financial Statements are an integral part of this statement.

PROPRIETARY FUNDS

EDISON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPPRIETARY FUNDS
JUNE 30, 2015

	<u>Business-type Activities - Enterprise Funds</u>		<u>Governmental Activities - Internal Service Fund</u>
	<u>Food Service</u>	<u>Totals</u>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,224,222.59	\$ 1,224,222.59	\$ 50,025.30
Accounts receivable	160,922.36	160,922.36	
Interfund receivable	-	-	1,892,033.32
Inventories	88,955.31	88,955.31	-
Total current assets	<u>1,474,100.26</u>	<u>1,474,100.26</u>	<u>1,942,058.62</u>
Noncurrent assets:			
Furniture, machinery & equipment	1,072,348.14	1,072,348.14	-
Less accumulated depreciation	<u>(822,905.45)</u>	<u>(822,905.45)</u>	<u>-</u>
Total noncurrent assets	<u>249,442.69</u>	<u>249,442.69</u>	<u>-</u>
Total assets	<u><u>1,723,542.95</u></u>	<u><u>1,723,542.95</u></u>	<u><u>1,942,058.62</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	-	
Accrued liability for claims payable	-	-	594,715.38
Interfunds payable	1,057,330.31	1,057,330.31	
Deferred revenues	<u>111,949.23</u>	<u>111,949.23</u>	
Total current liabilities	<u>1,169,279.54</u>	<u>1,169,279.54</u>	<u>594,715.38</u>
Total liabilities	<u>1,169,279.54</u>	<u>1,169,279.54</u>	<u>594,715.38</u>
NET POSITION			
Invested in capital assets net of related debt	249,442.69	249,442.69	-
Unrestricted (Deficit)	<u>304,820.72</u>	<u>304,820.72</u>	<u>1,347,343.24</u>
Total net position	<u><u>\$ 554,263.41</u></u>	<u><u>\$ 554,263.41</u></u>	<u><u>\$ 1,347,343.24</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

EDISON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Business-type Activities - Enterprise Fund	Total Enterprise Fund	Governmental Activities - Internal Service Fund
	Food Service		
Operating revenues:			
Charges for services:			
Daily sales - reimbursable programs	\$ 2,327,685.00	\$ 2,327,685.00	
Daily sales - non-reimbursable programs	345,286.22	345,286.22	
Total operating revenues	<u>2,672,971.22</u>	<u>2,672,971.22</u>	<u>-</u>
Operating expenses:			
Cost of sales	1,942,241.00	1,942,241.00	
Salaries	1,217,327.00	1,217,327.00	
Employee benefits	354,345.00	354,345.00	127,106.35
Supplies and Materials - Semi-Variable Costs	282,503.00	282,503.00	
Food Costs - Food Distribution Program	349,956.73	349,956.73	
Depreciation	45,839.87	45,839.87	
General & Administration	391,770.00	391,770.00	
Miscellaneous	230,972.80	230,972.80	
Total Operating Expenses	<u>4,814,955.40</u>	<u>4,814,955.40</u>	<u>127,106.35</u>
Operating income (loss)	<u>(2,141,984.18)</u>	<u>(2,141,984.18)</u>	<u>(127,106.35)</u>
Nonoperating revenues (expenses):			
State sources:			
State school lunch program	42,836.55	42,836.55	-
Federal sources:			
National school lunch program	1,237,567.80	1,237,567.80	-
National school lunch program - performance based	53,810.70	53,810.70	-
School breakfast program	567,066.77	567,066.77	-
Food distribution program	349,956.73	349,956.73	-
Total nonoperating revenues (expenses)	<u>2,251,238.55</u>	<u>2,251,238.55</u>	<u>-</u>
Income (loss) before contributions & transfers	109,254.37	109,254.37	(127,106.35)
Transfers in (out)			
Change in net position	<u>109,254.37</u>	<u>109,254.37</u>	<u>(127,106.35)</u>
Total net position—beginning	445,009.04	445,009.04	1,474,449.59
Total net position—ending	<u>\$ 554,263.41</u>	<u>\$ 554,263.41</u>	<u>\$ 1,347,343.24</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

**EDISON TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2015**

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 2,672,971.22	\$
Payments for employee benefits		(55,998.44)
Payments to suppliers	(4,532,306.04)	
Net cash provided by (used for) operating activities	(1,859,334.82)	(55,998.44)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Federal and State Sources	1,898,792.13	
Interest Income	-	-
Operating subsidies and transfers from/to other funds	(500,513.31)	86,528.28
Net cash provided by (used for) non-capital financing activities	1,398,278.82	86,528.28
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchases of capital assets	-	-
Net cash provided by (used for) capital and related financing activities	-	-
Net increase (decrease) in cash and cash equivalents	(461,056.00)	30,529.84
Balances—beginning of year	1,685,278.59	19,495.46
Balances—end of year	\$ 1,224,222.59	\$ 50,025.30
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (2,141,984.18)	\$ (127,106.35)
Adjustments to reconcile operating income (loss) to net cash provided by (used for)(used for) operating activities		
Depreciation and net amortization	45,839.87	
Federal commodities	349,956.73	
(Increase) decrease in accounts receivable, net	(34,950.05)	
(Increase) decrease in inventories	(19,497.36)	
Increase (decrease) in accrued liability for claims payable		71,107.91
Increase (decrease) in accounts payable	(113,147.24)	
Increase (decrease) in interfunds payable	54,447.41	-
Total adjustments	282,649.36	71,107.91
Net cash provided by (used for) operating activities	\$ (1,859,334.82)	\$
Net increase (decrease) in cash and cash equivalents		(55,998.44)

The accompanying Notes to Financial Statements are an integral part of this statement.

FIDUCIARY FUNDS

**Edison School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2015**

	<u>Trust Funds</u>	<u>Agency Fund</u>
ASSETS		
Cash and cash equivalents	\$ 959,426.23	\$ 1,916,898.21
Total assets	<u>\$ 959,426.23</u>	<u>\$ 1,916,898.21</u>
LIABILITIES		
Payable to student groups	-	613,867.38
Payroll deductions and withholdings	-	1,173,722.28
Employee flexible spending	-	129,308.55
Total liabilities	<u>\$ -</u>	<u>\$ 1,916,898.21</u>
NET POSITION		
Held in trust for unemployment claims and other purposes	\$ 758,150.40	
Reserved for scholarships	30,922.39	
Reserved for James Monroe Fire Recovery	<u>170,353.44</u>	
TOTAL NET POSITION	<u>\$ 959,426.23</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

**Edison School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2015**

	Trust Funds	Agency Fund
ADDITIONS		
Contributions:		
District/Plan member	\$ 180,563.81	
Other	<u>77,988</u>	<u>\$ 74,201,637.11</u>
Total Contributions	<u>258,551.86</u>	<u>74,201,637.11</u>
Investment earnings:		
Interest	<u>2,774.32</u>	
Net investment earnings	<u>2,774.32</u>	<u>-</u>
Total additions	<u>261,326.18</u>	<u>74,201,637.11</u>
DEDUCTIONS		
Quarterly contribution reports	142,421.92	74,201,637.11
Scholarship remittances	<u>750.00</u>	
Total deductions	<u>143,171.92</u>	<u>74,201,637.11</u>
Change in net assets	118,154.26	-
Net position—beginning of the year	<u>841,271.97</u>	<u>-</u>
Net position—end of the year	<u><u>\$ 959,426.23</u></u>	<u><u>\$ -</u></u>

The accompanying Notes to Financial Statements are an integral part of this statement.

EDISON SCHOOL DISTRICT
COUNTY OF MIDDLESEX, NEW JERSEY

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The financial statements of the Board of Education (Board) of Edison School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The GASB has issued codification and subsequent GASB pronouncements are recognized as U.S. generally accepted accounting principles for state and local governments. This financial report has been prepared in conformity with GASB Statement No. 34, Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments, issued in June 1999. The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the District report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

The more significant of the Board's accounting policies are described below.

B. Reporting Entity:

The Edison School District is a Type II district located in the County of Middlesex, State of New Jersey, serving students domiciled in the Town of Edison. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of nine members elected to staggered three-year terms. The purpose of the district is to educate students in grades K-12. The Edison School District had an approximate enrollment at June 30, 2015 of 14,697 students.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization’s board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government’s enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Presentation - Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. Included are certain expenditures for vehicles and movable instructional or noninstructional equipment which are classified in the Capital Outlay subfund.

As required by the New Jersey State Department of Education, the District includes budgeted Capital Outlay in this fund. Generally accepted accounting principles as they pertain to governmental entities state that General Fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenues.

Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to Current Expense by board resolution.

Special Revenue Fund - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election. State Aid in the form of Economic Development Authority Grants under EFCFA are also financial resources of this fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of principal and interest on bonds issued to finance major property acquisition, construction and improvement programs.

The District reports the following proprietary funds:

Food Service Fund – The Food Service Enterprise Fund is used to account for the activities of the cafeteria operations of the District. The Food Service Fund is considered a major fund of the District

The District also reports the following fiduciary fund types:

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

D. Basis of Presentation - Fund Financial Statements (Cont'd)

Agency Fund – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Employee Benefit Trust (Unemployment Insurance) – Employee Benefit Trust should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities columns.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Measurement Focus and Basis of Accounting (Cont'd)

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District generally considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital asset acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources".

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures as incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Budgets/Budgetary Control

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting which differs from generally accepted accounting principles in one material respect; Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses.

The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements is set forth in the explanation of differences schedules which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November (The District has chosen this option) are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limits on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Budgets/Budgetary Control (Cont'd)

The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

The accounting records of the special revenue fund are maintained on the grant accounting budgetary basis. The grant accounting budgetary basis differs from GAAP in that the grant accounting budgetary basis recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial statements.

The following presents a reconciliation of the general fund revenues and special revenue fund revenues and expenditures from the budgetary basis of accounting as presented in the Budgetary Comparison Schedules – General and Special Revenue Funds to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary basis) "revenues" from the budgetary comparison schedules	\$235,711,496.63	\$6,003,195.25
Difference – Budget to GAAP:		
Certain State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes.	1,764,047.00	0.00
Certain State aid payments are recognized as revenue for budgetary purposes and differ from GAAP which does not recognize these revenues until the subsequent year when the State recognizes the related expenses (GASB 33)	<u>(1,810,337.00)</u>	<u>(0.00)</u>
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances – governmental funds.	<u>\$235,665,206.63</u>	<u>\$6,003,195.25</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

F. Budgets/Budgetary Control (Cont'd)

Uses/outflows of resources	<u>General Fund</u>	<u>Special Revenue Fund</u>
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$235,336,821.42	\$6,003,195.25
Transfers to capital reserves are recorded as an expenditure for budgetary resources but not as an expenditure for financial reporting purposes	_____ (0.00)	_____ (0.00)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$235,336,821.42</u>	<u>\$6,003,195.25</u>

G. Encumbrances:

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds, other than the special revenue fund, are reported as reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances, are reflected in the balance sheet as deferred revenues at fiscal year end.

The encumbered appropriation authority carries over into the next fiscal year. An entry will be made at the beginning of the next fiscal year to increase the appropriation reflected in the certified budget by the outstanding encumbrance amount as of the current fiscal year end.

H. Cash, Cash Equivalents and Investments:

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

New Jersey school districts are limited as to the types of investments and types of financial institutions they may invest in. New Jersey statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts.

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

N.J.S.A. 17:9-41 et. seq. establishes the requirements for the security of deposits of governmental units. The statute requires that no governmental unit shall deposit public funds in a public depository unless such funds are secured in accordance with the Act. Public depositories include Savings and Loan institutions, banks (both state and national banks) and savings banks the deposits of which are federally insured. GUDPA was amended, effective July 1, 2010, by P.L. 2009, c. 326. The amendments provide a greater level of security protection for covered deposits by increasing collateralization requirements and revising the enforcement protocol to allow for timely response in the event that a member bank shows signs of stress.

Under the new law, collateralization of GUDPA deposits up to 75% of New Jersey capital is based on a sliding scale that requires the minimum of 5% collateral for Well Capitalized institutions to a maximum of 120% collateral for Critically Undercapitalized institutions. All uninsured GUDPA deposits in excess of 75% of New Jersey capital require 100% collateral. If a public depository fails, the collateral it has pledged, plus the collateral of all other public depositories, is available to pay the full amount of their deposits to the Governmental Units.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

I. Tuition Revenue

Tuition revenues for the fiscal year 2014-2015 were based on contractual per pupil rates established by and between the sending and receiving districts. These rates are not subject to change except through amendatory contracts.

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The cost of such inventories is recorded as expenses when consumed rather than when purchased

Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Short-Term Interfund Receivables/Payables:

Short-term interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

L. Capital Assets:

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The District maintains a threshold level of \$2,000 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated cost.

Capital assets are recorded in the District-wide financial statement, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purposes.

Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Food Service Fund:	
Equipment	5-20 Years

M. Accounts Receivable State – Capital Projects Fund:

The District recognizes SDA grant revenue as earned, i.e., as eligible expenditures are incurred. At June 30, 2015, the District has recorded an accounts receivable in the amount of \$14,155 in SDA grant revenue.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

N. Compensated Absences:

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued in the government-wide financial statements as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

In the governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as a fund liability and expenditure in the fund that will pay for the compensated absence. The noncurrent portion for governmental funds is maintained separately and is a reconciling item between the fund and government-wide presentations.

O. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of financial position may report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting four items in this category; The Deferred Amount on Refunding and Pension related items including the Change in Pension Assumption, Change in Pension Proportion and the amounts of pension payments made by the District subsequent to the pension measurement date. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is amortized over the shorter of the life of the refunded or refunding bonds. Deferred Outflows for Changes in Pension Assumptions future outflows of resources resulting from changes in actuarial assumptions used in the valuation of the pension liability. Deferred outflows for the Change in Pension Proportion represents the District's proportionate share of plan earnings in excess of assumed amounts. Deferred outflows for Subsequent pension payments reflects payments made by the District to the pension system subsequent to the date of the most recent actuarial valuation, which was June 30, 2014.

In addition to liabilities, the statement of financial position may report a separate section for deferred inflows of resources. This separate financial statement element represents a acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting one pension related item in this category, the Difference in Pension Earnings, which represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability.

Q. Unearned Revenue/Advances from Grantors:

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

R. Net Position Flow Assumption (District-Wide and Proprietary Fund Financial Statements)

Periodically, the District may fund outlays for a particular purpose from both restricted resources, such as bond referendum proceeds and/or grant proceeds, and unrestricted resources. To determine the amounts of net position-restricted and unrestricted that should be reported in the government-wide and proprietary fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted net position prior to applying unrestricted net position to fund acquisition costs.

S. Fund Balance Flow Assumption (Governmental Fund Financial Statements)

Periodically, the District may fund outlays for a particular purpose from both restricted resources and unrestricted resources (the total of the committed, assigned and unassigned fund balance). To determine the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made to establish the order in which resources are considered to be applied. In the absence of specific grant compliance requirements to the contrary, the District policy is to utilize all amounts of available restricted fund balance prior to applying any component of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance, with unassigned fund balance applied last.

T. Fund Balance Policies:

Fund balance of the governmental funds is reported in various categories based upon the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through actions to transfer amounts to legally restricted reserve accounts (capital, maintenance and emergency reserves), or actions to commit or assign fund balance.

The committed fund balance includes amounts that can only be used for the specific purposes determined by a formal action of the Board of Education. Commitments of fund balance remain in place until the committed fund balance is fully depleted or an amendatory action is taken by the Board of Education.

Assignments of fund balance are made by the Board of Education for specific purposes that do not the criteria to be classified as committed. The Board of education also assigns fund balance when it appropriates unrestricted/unassigned fund balance to bridge a gap between estimated revenue and appropriations in the subsequent year budget. Unlike commitments, assignments are generally temporary in nature, and additional actions of the Board are generally not required to remove an assignment, whereas an action of the Board is essential to the modification or elimination of an unexpended committed fund balance.

U. District-Wide Financial Statement Classifications

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – All taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.
4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Fixed Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Fixed assets as a component of net position for the governmental activities and business-type activities.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

V. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sales of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned through the District's participation in the National School Lunch Program are classified as nonoperating revenues, notwithstanding the limitations on the pricing of Type A student lunches that is required for program participation.

W. Reconciliation of District-Wide and Fund Financial Statements

Differences between governmental fund balance sheet and District-wide statement of net position and the differences between governmental fund statement of revenues, expenditures and changes in fund balances and District-wide statement of activities are set forth in Exhibits B-1 and B-3, respectively.

X. Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

State statutes set forth deposit requirements and investments that may be purchased by local units and the District deposits and invests its funds pursuant to statutory requirements, its policies and an adopted cash management plan.

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

At June 30, 2015, the book value of the District's cash, cash equivalents and investments were \$24,538,602.58. In addition, the District has on deposit with Trustee proceeds from the recent lease purchase transaction for Edison High School addition in the amount of \$377,158.20. At year-end, of the cash and cash equivalents on deposit, \$757,653.84 was covered by federal depository insurance and \$28,566,983.89 was covered under the provisions of NJGUDPA.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (CONT'D)

The Edison Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

<u>Depository Account</u>	<u>Bank Balance</u>
Insured--FDIC	\$ 507,653.84
Insured—NJGUDPA (N.J.S.A. 17:941)	<u>28,439,788.00</u>
Subtotal	28,947,441.84
Lease Purchase - Trustee	<u>377,158.20</u>
Total	<u>\$29,324,637.73</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the board’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2015, based upon the insured balances as provided by FDIC and NJGUDPA coverage, none of the Board’s bank balance of \$29,324,637.73 was considered exposed to custodial credit risk. (See Note 1-H relating to statutory mitigations of custodial risk in the event of a bank failure.) Based upon existing deposit and investment policies, the District is generally not exposed to credit risk, concentration of credit risk and interest rate risk nor is it exposed to foreign currency risk for its deposits and investments.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis. The District had no funds on deposit with the New Jersey Cash Management Fund at June 30, 2015.

Note 3: CAPITAL ASSETS NOTE DISCLOSURE

The following is disclosure of information about capital assets. Capital asset activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance*</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 20,571,074.44	\$ -	\$ -	\$ 20,571,074.44
Construction in Progress	1,555,841.32	748,230.00		2,304,071.32
Total Capital Assets Not Being Depreciated	<u>22,126,915.76</u>	<u>748,230.00</u>	<u>-</u>	<u>22,875,145.76</u>
Building and Building Improvements	143,858,417.74	2,793,614.63		146,652,032.37
Equipment	21,603,718.53	4,121,615.30	(543,600.00)	26,268,933.83
Totals at Historical Cost	<u>165,462,136.27</u>	<u>6,915,229.93</u>	<u>(543,600.00)</u>	<u>172,920,966.20</u>
Less Accumulated Depreciation For:				
Building and Improvements	63,385,328.40	3,280,344.56	-	66,665,672.96
Equipment	9,905,669.25	2,939,762.61	(543,600.00)	13,389,031.86
Total Accumulated Depreciation**	<u>73,290,997.65</u>	<u>6,220,107.17</u>	<u>(543,600.00)</u>	<u>80,054,704.82</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>92,171,138.62</u>	<u>695,122.76</u>	<u>-</u>	<u>92,866,261.38</u>
Government Activities Capital Assets, Net	<u>\$ 114,298,054.38</u>	<u>\$ 1,443,352.76</u>	<u>\$ -</u>	<u>\$ 115,741,407.14</u>
Business-type Activities				
Equipment	1,072,348.14			1,072,348.14
Less Accumulated Depreciation for:				
Equipment	777,065.58	45,839.87		822,905.45
Business-type Activities Capital Assets, Net	<u>\$ 295,282.56</u>	<u>\$ (45,839.87)</u>	<u>\$ -</u>	<u>\$ 249,442.69</u>

** Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 4,976,085.74
Direct expense of various functions	1,244,021.43
Total depreciation expense	<u>\$ 6,220,107.17</u>

The District experienced the loss of its James Monroe Elementary School as a result of a fire on March 22, 2014. The District plans to rebuild the elementary school on the same site. Plans have been submitted to the NJ Department of Education and the District is in the process of establishing the necessary funds to complete the rebuild project. The District has not yet settled the claim for loss with the insurance company. The District's fixed assets have been adjusted due to the fire loss. Currently the James Monroe Elementary students are being educated at the former St. Cecelia's Catholic School located in Iselin, N.J., through a two-year lease agreement with the Diocese of Metuchen. The district is planning for the new school to be completed for the 2016-2017 school year. Certain leasehold improvements to the former St. Cecelia's school in the amount of \$872,088.03 have not been capitalized as a result of the nature of the improvements.

Note 4: LONG TERM DEBT DISCLOSURE

The following is disclosure of information about long term liabilities. Long-term liability activity for the year ended June 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Adjustments</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 7,255,000.00	\$ -	\$ 935,000.00	\$ 6,320,000.00	\$ 935,000.00
Total Bonds Payable	<u>7,255,000.00</u>	<u>-</u>	<u>935,000.00</u>	<u>6,320,000.00</u>	<u>935,000.00</u>
Other Liabilities:					
Obligations Under Capital Lease	366,530.88	1,137,504.58	347,533.02	1,156,502.44	297,881.57
Lease Purchase Agreements	9,046,000.00	-	1,841,000.00	7,205,000.00	2,265,000.00
Compensated Absences Payable	<u>2,777,195.00</u>	<u>26,778.75</u>	<u>-</u>	<u>2,803,973.75</u>	
Subtotal - Other Liabilities	<u>12,189,725.88</u>	<u>1,164,283.33</u>	<u>2,188,533.02</u>	<u>11,165,476.19</u>	<u>2,562,881.57</u>
Subtotal - Bonds Payable and Other Liabilities	<u>19,444,725.88</u>	<u>1,164,283.33</u>	<u>3,123,533.02</u>	<u>17,485,476.19</u>	<u>3,497,881.57</u>
Bond Premiums/Discounts	<u>286,774.19</u>	<u>-</u>	<u>9,332.83</u>	<u>277,441.36</u>	
Total Liabilities	<u>\$ 19,731,500.07</u>	<u>\$ 1,164,283.33</u>	<u>\$ 3,132,865.85</u>	<u>\$ 17,762,917.55</u>	<u>\$ 3,497,881.57</u>

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds.

Effective November 3, 1992, the District changed its designation from a Type I to a Type II school district. Under these circumstances and pursuant to statute, previously authorized and unissued Type I debt is to be issued by the school district in accordance with the provisions applicable to Type II school districts. The Board permanently financed previously issued outstanding notes and authorized but not issued debt in a sale of School Bonds dated August 15, 1995, in the amount of \$3,000,000. The following schedule sets forth the debt service requirements on the Type II debt.

Type II Debt:

Year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 935,000	\$ 178,137	\$ 1,113,137
2017	945,000	155,400	1,100,400
2018	960,000	130,800	1,090,800
2019	980,000	101,900	1,081,900
2020	1,000,000	71,175	1,071,175
2021	500,000	47,500	547,500
2022	500,000	28,750	528,750
2023	<u>500,000</u>	<u>10,000</u>	<u>510,000</u>
	<u>\$ 6,320,000</u>	<u>\$ 723,662</u>	<u>\$ 7,043,662</u>

Note 4: LONG TERM DEBT DISCLOSURE (CONT'D.)

B. Capital Leases - The District is leasing a copier, telephone, computer and other equipment under capital leases. All capital leases are for the terms of three to five years. The following is a schedule of the future minimum lease payments under this capital lease and including principal and interest payments.

Year ending June 30,	<u>Total</u>
2016	155,487.68
2017	155,487.68
2018	155,487.68
2019	<u>120,463.84</u>
	<u>\$ 586,926.88</u>

The District is leasing Eight (8) School Buses under a capital lease. All capital leases are for the terms of three to five years. The following is a schedule of the future minimum lease payments under this capital lease and including principal and interest payments.

Year ending June 30,	<u>Total</u>
2016	142,393.89
2017	142,393.89
2018	142,393.89
2019	<u>142,393.89</u>
	<u>\$ 569,575.56</u>

C. Lease Purchase Obligations - The District participated in the following lease purchase agreements for the acquisition of school equipment and improvements to its facilities. The following are schedules of the future lease payments under the respective lease purchase agreements, and the present value of net minimum lease payments.

1998-99 Woodbrook/ Lindeneau Improvs. - \$3,570,000.00

	Year Ended <u>June 30,</u>	<u>Amount</u>	Year Ended <u>June 30,</u>	<u>Amount</u>
	2016	267,881.25	2018	\$ 270,318.75
	2017	266,837.50	2019	133,087.50
				<hr/>
Total Minimum Lease Payments				938,125.00
Less: Amount Representing Interest				<u>83,125.00</u>
Present Value of Net Minimum Lease Payments				<u>\$ 855,000.00</u>

2009-10 Roof Repairs & Renovations - \$3,745,000

	Year Ended <u>June 30,</u>	<u>Amount</u>	Year Ended <u>June 30,</u>	<u>Amount</u>
	2016	487,675.00	2017	\$ 483,375.00
			2018	487,625.00
				<hr/>
Total Minimum Lease Payments				1,458,675.00
Less: Amount Representing Interest				<u>98,675.00</u>
Present Value of Net Minimum Lease Payments				<u>\$ 1,360,000.00</u>

Note 4: LONG TERM DEBT DISCLOSURE (CONT'D.)**C. Lease Purchase Obligations (Cont'd.)**2012-13 Edison High School Addition - \$5,000,000

	Year Ended June 30,	Amount
	2016	1,643,337.15
	2017	1,689,528.13
	2018	1,734,967.91
Total Minimum Lease Payments		5,067,833.19
Less: Amount Representing Interest		87,833.19
Present Value of Net Minimum Lease Payments		<u>\$ 4,980,000.00</u>

D. Refinancing - The Board of Education, via resolution, authorized the sale of refunding of bonds (the "Refunding Bonds") in order to advance refund all or a portion of the outstanding Refunding School Bonds dated February 1, 2003 and maturing on July 1 in the years 2015 through 2019, inclusive (the "Refunded Bonds"), which Refunded Bonds are part of a series of bonds dated originally issued in the aggregate principal of \$5,545,000. The total of the Refunding Bonds issued, dated April 17, 2014, amounted to \$2,585,000 to affect the refunding of the Refunded Bonds in the amount of \$2,560,000.

The proceeds of the Refunding Bonds will be used to advance refund the Refunded Bonds at a redemption price of 100% of the principal amount thereof. The Refunding Bonds will be used to pay: (i) when due, the interest accrued on the Refunded Bonds through and including the date the Refunded Bonds are called; (ii) the redemption price of the Refunded Bonds on the call date; and (iii) the costs associated with the issuance of the Refunding Bonds.

The Refunding Bonds bear interest from their date of delivery, which interest shall be payable semi-annually on the first day of January and July, commencing July 1, 2014, in each of the years and at the interest rates of between 1.00% and 3.00%, while yields, which reflect premiums or discounts, ranged from 0.250% to 1.550%. Net Present value savings amounted to \$169,832.69 or 6.634089% of the the Refunded Bonds. The Net Interest Cost (NIC) on the Refunding Bonds was 1.278634%. The proceeds of the sale of \$2,668,163.20 includes a premium of \$83,163.20 and deductions of \$55,321.32 for underwriting fees and other costs associated with the issuance of the Refunding Bonds, for a net proceed amount of \$2,612,841.88, which was deposited to an irrevocable trust with an escrow agent. The Refunded Bonds are considered to be defeased and have been removed from the District-wide statement of net position.

The advance refunding resulted in a difference between the reacquisition price and the net carrying value of the old debt of \$52,841.88. This difference, reported in the accompanying District-wide financial statements as a "deferred outflow", is being amortized over the life of the Refunding Bonds issue. Annual charges to amortize the deferred outflow resulting from the refunding transaction are calculated on a "straight-line" basis.

E. Bond Referendum - The Board of education, via a resolution, authorized a special school district election on March 10, 2015 for consideration of the following new bond issue to provide for (a) the replacement of James Monroe Elementary School, which was destroyed by fire in March 2014, including acquisition of furnishings and equipment and site work; (b) to appropriate therefore \$28,127,796, funded in part by insurance proceeds in the amount of \$9,493,934 and © to issue bonds in the amount of \$18,633,862.

The final eligible costs for the proposed project approved by the New Jersey Commissioner of Education are \$9,691,825. The State debt service aid percentage will equal 40% of the annual debt service required to finance the final eligible costs of the project, which aid is esitimated to exceed \$3.87 million, only available if the referendum is passed. In the event any additional insurance proceeds are received by the Board of Education for the James Monroe Elementary School, such amounts either shall be used to pay direct costs of the project and to reduce the bond authorization or shall be tranferred to the debt service fund to pay principal of obligations issued under this referendum.

Subsequent to the passing of this referendum and prior to the sale of the bonds, the Board of Education received a total settlement from insurance of \$23,600,000 eliminating the need to sell the authorized bonds. Any remaining unfunded balance can be funded by the district's capital reserve account.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS

Description of Plans – The State of New Jersey, Division of Pension and Benefits (the Division) was created and exists pursuant to N.J.S.A. 52:18A to oversee and administer the pension trust and other postemployment benefit sponsored by the State of New Jersey (the State). According to the State of New Jersey Administrative Code, all obligations of the Systems will be assumed by the State of New Jersey should the plans terminate. Each defined benefit pension plan’s designated purpose is to provide retirement, death and disability benefits to its members. The authority to amend the provision of the plan rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for the Public Employees Retirement System (PERS) and the Teachers Pension and Annuity Fund (TPAF), once a Target Ration (TFR) is met, they will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation or final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committee will also have the authority to reactivate the cost of living adjustment (COLA) on pensions.

However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a projection period. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM

The Public Employee Retirement System (PERS) is a cost-sharing, multi employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by the New Jersey Division of Pension and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2014:

Inactive plan members or beneficiaries currently receiving benefits	160,716
Inactive plan members entitled to but not yet receiving benefits	730
Active plan members	266,526
	<u>427,972</u>

Contributing Employers – 1,707.

Significant Legislation – For State of New Jersey contributions to PERS, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7th of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

Chapter 19, P.L. 2009, effective March 17, 2009, provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State Fiscal Year 2009. Such an employer will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of PERS, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of PERS.

For the year ended June 30, 2015 the Board’s total payroll for all employees was \$136,570,896.26. Total covered payroll was \$19,750,285.17. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

NOTE 5. PENSION PLANS (CONT'D.)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D.)

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A 43:15 and requires contributions by active members and contributing employers. Members contribute at a uniform rate. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contribution rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. Employers contribution amounts are based on an actuarially determined rate. The annual employer contributions include funding for basic retirement allowances and noncontributory death benefits. The School Boards contribution to the Plan for the year ended June 30, 2014 and 2015 were \$2,309,756.00 and \$2,362,47.00, respectively. School Board Contributions are due and payable in the fiscal period subsequent to the plan year for which the contribution requirements were calculated.

The vesting and benefit provisions are set by N.J.S.A. 43:15. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – At June 30, 2015, the School Board reported a liability of \$53,654,542.00 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Boards proportion of the net pension liability was based on a projection of the Boards long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2014, the Boards proportion was 0.286574%, which was an increase of 0.015863% percent from its proportion measure as of June 30, 2013.

NOTE 5. PENSION PLANS (CONT'D.)

A. PUBLIC EMPLOYEES RETIREMENT SYSTEM (CONT'D.)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	
Cash	0.08%
Core Bonds	2.49%
Intermediate-Term Bonds	2.26%
Mortgages	2.17%
High Yield Bonds	4.82%
Inflation-Indexed Bonds	3.51%
Broad US Equities	8.22%
Developed Foreign Equities	8.12%
Emerging Market Equities	9.91%
Private Equity	13.02%
Hedge Funds/Absolute Return	4.92%
Real Estate (Property)	5.80%
Commodities	5.35%

Discount Rate – The discount rate used to measure the pension liabilities of PERS was 5.39%

Sensitivity of Net Pension Liability – the following presents the net pension liability of PERS calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

	<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
PERS	\$47,326,289,075	\$38,849,838,953	\$31,735,758,503

Plan Fiduciary Net Position – The plan fiduciary net position for PERS at June 30, 2014 was \$28,999,581,773. Information regarding the portion of the Plan Fiduciary Net Position that was allocable to the Local (Non-State) Group was not available.

B. TEACHERS PENSION AND ANNUITY FUND

The Teachers Pension and Annuity Fund is a cost-sharing, multi employer defined benefit pension plan as defined in GASB Statement No. 68. The Plan is administered by the New Jersey Division of Pension and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Membership and contributing employers of the defined benefit pension plans consisted of the following at June 30, 2014:

Inactive plan members or beneficiaries currently receiving benefits	94,822
Inactive plan members entitled to but not yet receiving benefits	276
Active plan members	<u>152,812</u>
Total	<u>247,910</u>

NOTE 5. PENSION PLANS (CONT'D.)

B. TEACHERS PENSION AND ANNUITY FUND (CONT'D.)

In addition to the State, who is the sole payer of regular employer contributions to the fund, TPAF's contributing employers include boards of education who elected to participate in the Early Retirement Incentive Program and are legally responsible to continue to pay towards their incurred liability. The current number of EORP Contributing Employers is 26.

Significant Legislation – For State of New Jersey contributions to TPAF, Chapter 1, P.L. 2010, effective May 21, 2010, required the State to resume making actuarially recommended contributions to the pension plan on a phased-in basis over a seven year period beginning in the fiscal year ended June 30, 2012. For State fiscal year 2014, the State was required to make a minimum contribution representing 3/7th of the actuarially determined contribution amount based on the July 1, 2012 actuarial valuation.

Pursuant to the provision of Chapter 78, P.L. 2011, COLA increases were suspended for all current and future retirees of TPAF.

For the year ended June 30, 2015 the Board's total payroll for all employees was \$136,570,896.26. Total covered payroll was \$109,456,72.79. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan.

Specific Contribution Requirements and benefit provisions – The contribution policy is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing employers. Pursuant to the provisions of Chapter 78, P.L. 2011, the active member contributions rate increased from 5.5% of annual compensation to 6.5% plus an additional 1% phased-in over 7 years beginning in July 2012. The member contribution rate was 6.78% in State fiscal year 2014. The phase-in of the additional incremental member contribution rate takes place in July of each subsequent State fiscal year. The State of New Jersey contribution amount is based on an actuarially determined amount which include the employer portion of normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory insurance is based on actual claims paid for fiscal years 2014 & 2013; the State's contribution was less than the actuarial determined amount.

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested 2% of related interest earned on the contributions. In the case of death before retirement, members beneficiaries are entitled to full interest credited to the members accounts.

The following represents the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
1	Members who were enrolled prior to July 1, 2007.
2	Members who were eligible to enroll on or after July 1, 2007 and prior to November 8, 2008
3	Members who were eligible on or after November 2, 2008 and prior to May 22, 2010
4	Members who were eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5	Members who were eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the retirement age of his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

NOTE 5. PENSION PLANS (CONT'D.)

B. TEACHERS PENSION AND ANNUITY FUND (CONT'D.)

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions – The State of New Jersey is solely responsible for funding the normal pension obligation of the TPAF, including 100% of the obligations of LEAs within the State. Accordingly, the District does not report TPAF Liabilities or deferred inflows and outflows of financial resources in its financial statements. Payments made by the State to the TPAF “on-behalf” of the LEAs are reported to the LEAs and reported as TPAF pension expenditures/expenses as made.

Three-Year Trend Information for TPAF (Paid on-behalf of the District, excluding post-retirement medical benefits which are reported in Note 6)

<u>Year Funding</u>		<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>		<u>Net Pension Obligation</u>
6/30/15	\$	5,705,028	Unknown	\$	-0-
6/30/14		4,440,535	Unknown		-0-
6/30/13		6,922,487	Unknown		-0-

At June 30, 2014, the TPAF reported a net pension liability of \$53,446,745,367 for its Non-State Employer Member Group. The proportionate share of the State of New Jersey’s net pension liability for the Non-State Employer Member Group that is attributable to the District is \$561,014,437 or 1.05%.

Actuarial Assumptions- The total pension liability in the June 30, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases (2012-2021)	Varies based on experience
Thereafter	Varies based on experience
Investment rate of return	7.90%

Mortality rates were based on the RP-2000 Combined Table for Males or Females, as appropriate with adjustments for mortality improvements based on Scale AA.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	
Cash	0.05%
Core Bonds	1.38%
Intermediate-Term Bonds	2.60%
Mortgages	2.84%
High Yield Bonds	4.15%
Inflation-Indexed Bonds	1.30%
Broad US Equities	5.88%
Developed Foreign Equities	6.05%
Emerging Market Equities	8.90%
Private Equity	9.15%
Hedge Funds/Absolute Return	3.85%
Real Estate (Property)	4.43%
Commodities	3.60%

NOTES TO FINANCIAL STATEMENTS

NOTE 5. PENSION PLANS (CONT'D.)

B. TEACHERS PENSION AND ANNUITY FUND (CONT'D.)

Discount Rate – The discount rate used to measure the pension liabilities of TPAF was 4.68%

Sensitivity of Net Pension Liability – the following presents the net pension liability of TPAF calculated using the discount rates as disclosed above as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage rate higher than the current rate:

<u>At 1% Decrease</u>	<u>At current discount rate</u>	<u>At 1% increase</u>
\$64,722,984,539	\$53,813,067,539	\$44,738,870,539

Plan Fiduciary Net Position – The plan fiduciary net position for TPAF at June 30, 2014 was \$27,282,252,461.

C. DEFINED CONTRIBUTION RETIREMENT PLAN

Plan Description – The Defined Contribution Retirement Plan (DCRP) is a multi employer defined contribution plan as defined in GASB Statement No. 68. The Plan is administered by the New Jersey Division of Pension and Benefits (Division). The more significant aspects of the PERS Plan are as follows:

Plan Membership and Contributing Employers- Enrollment in the DCRP is required for state or local officials, elected or appointed on or after July 1, 2007; employees enrolled in TPAF or PERS on or after July 1, 2007, who earn salary in excess of established “maximum compensation” limits; employees otherwise eligible to enroll in TPAF or PERS on or after November 2, 2008, who do not earn the minimum annual salary for tier 3 enrollment but who earn salary of at least \$5,000 annually; and employees otherwise eligible to enroll in TPAF or PERS after May 21, 2010, who do not work the minimum number of hours per week required for tier 4 or tier 5 enrollment, but who earn salary of at least \$5,000 annually. At June 30, 2014, membership in the DCRP, based on the information within the Division’s database was 28,270.

Contribution Requirement and Benefit Provisions - State and local government employers contribute 3% of the employees base salary. Active members contribute 5.5% of base salary.

Eligible members are provided with a defined contribution retirement plan intended to qualify for favorable Federal income tax treatment under IRC Section 401(a), a noncontributory group life insurance plan and a noncontributory group disability benefit plan. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employee contributions shall immediately become and shall at all times remain fully vested and non forfeitable. A participant’s interest in that portion of his or her defined contribution retirement plan account attributable to employer contributions shall be vested and non forfeitable on the date the participant commences the second year of employment or upon his or her attainment of age 65, while employed by an employer, whichever occurs first.

For the year ended June 30, 2015 the Board’s total Payroll for all employees was \$136,570,896.26. Total DCRP covered payroll was \$71,156.50. Covered payroll refers to all compensation paid by the Board to active employees covered by the Plan. Board and employee contributions to the DCRP for the year ended June 30, 2015 were \$1,975.03 and \$4,073.71.

NOTE 6. POST-EMPLOYMENT BENEFITS

The State of New Jersey sponsors and administers the post-employment health benefits program for school districts Coverage is provided at no cost to members of the TPAF who retire after accumulating 25 years of credited service or on a disability retirement. The State is also responsible for the costs attributable to Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of credited service or on a disability retirement if the member’s employer does not provide this coverage. Pursuant to P.L. 2007, c.103, separate funds outside the pension plans were established for funding and payment of post-retirement medical benefits for stat employees and retired educational employees.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. POST-EMPLOYMENT BENEFITS (CONT'D)

The Division of pensions issues a publicly available financial report that includes the financial statements and required supplementary information for the Health Benefits Program Fund – Local Government. This report may be accessed via the Division of Pensions and Benefits website, at www.state.nj.us/treasury/pensions, or may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625.

As of June 30, 2014, there were 103,432 retirees receiving state paid post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, Chapter 62. Funding of post-retirement medical benefits was changed from a pre-funding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributed to P.L. 1992 Chapter 126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$1.658 million toward Chapter 126 benefits for 8,122 eligible retired members in Fiscal Year 2014.

The State’s contribution to the Health Benefits Program Fund on behalf of the District for TPAF retiree health benefits for the last three years, is as follows:

<u>Three-Year Trend Information for TPAF (Paid on-behalf of the District)</u>				
Year		Annual Post Retirement Medical Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
<u>Funding</u>		<u>Cost (APC)</u>	<u>Contributed</u>	
6/30/15	\$	9,056,735	100	\$ -0-
6/30/14		7,280,806	100	-0-
6/30/13		7,827,584	100	-0-

The amounts of State contributions to the Health Benefits Program Fund on-behalf of the District for PERS retiree health benefits has not been made available.

NOTE 7. COMPENSATED ABSENCES

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), “Accounting for Compensated Absences”. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and accumulate for use in future years. Upon the attainment of specified years of service or upon reaching normal retirement age, employees become eligible to receive compensation for unused accumulated sick leave. The specific terms for eligibility and compensation are governed by the various collective bargaining agreements and employment contracts.

In the district-wide *Statement of Net Assets*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

NOTE 8. DEFERRED COMPENSATION

The Board offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by third parties who are authorized by the Board and selected by each participant individually, permits participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

NOTES TO FINANCIAL STATEMENTS

NOTE 9. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Property and Liability Insurance - During the school year ended June 30, 2015, the District continued to transfer its insurable risks through the purchase of commercial insurance policies.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan, the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and previous two years:

<u>Fiscal Year</u>	<u>Interest Earnings</u>	<u>District/ Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 2,252.08	\$ 180,563.81	\$ 142,421.92	\$ 758,150.40
2013-2014	1,709.96	176,343.19	127,055.29	717,756.43
2012-2013	1,757.09	173,193.72	395,867.25	667,758.57

In prior years, the Board instituted a risk management program, which combines risk retention and reinsurance coverage for claims relating to statutory worker's compensation. The Board also obtained specific excess workers' compensation insurance coverage. Effective for the fiscal year beginning July 1, 2011, the Board has obtained workers' compensation insurance through a premium based risk transfer policy.

Retained Insurance Risk –

For years prior to 2011-2012, the Board engaged an outside claims service company to serve as administrator of the worker's compensation program. Loss reserves are established by the administrator for estimated benefits and expenses for reported claims. Established reserves are subject to change as facts and circumstances relating to claims dictate, and no provision is made for estimated losses relating to costs incurred but not reported (IBNR). At June 30, 2015, the administrator has established an estimated reserve requirement for reported claims prior to July 1, 2011 in the amount of \$594,715.38. The accrued claim liability results in a reported net position in the Workers' Compensation Fund in the amount of \$1,347,343.24 at June 30, 2015. Based upon its review of claims liability, management believes the Fund to be adequately funded at year-end. The Board continues to carry commercial insurance for other risks of loss, including accident insurance.

NOTE 10. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2015:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,070,086.46	\$ 1,895,809.68
Special Revenue Fund		12,756.15
Capital Projects Fund	3,776.36	
Workers Compensation Fund	1,892,033.32	
Food Service Fund		1,057,330.31
	<u>\$ 2,965,896.14</u>	<u>\$ 2,965,893.14</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 11. INVENTORY

Inventory in the Food Service Fund at June 30, 2015 consisted of the following:

USDA Commodities	53,603.14
Food & Supplies	35,352.17

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Act of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

NOTE 12. CAPITAL RESERVE/CAPITAL OUTLAY

A capital reserve account was originally established by the Edison Board of Education in the amount of \$10,500.00 on September 25, 2000. The capital reserve account is for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district’s approved Long Range Facilities Plan (LRFP). Upon submissions of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any anticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:26-9(d)1, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for July 1, 2014 to June 30, 2015 fiscal year is as follows:

Beginning Balance, July 1, 2014	\$6,742,551.39
Board Contribution-Net	240,000.00
Interest Earnings	<u>18,458.04</u>
Ending Balance, June 30, 2015	<u>\$7,001,009.43</u>

The June 30, 2015 LRFP balance of local support costs of uncompleted capital projects at June 30, 2015 is \$7,001,009.43. Withdrawals authorized from the capital reserve are for use in DOE approved facilities projects, consistent with the district’s Long Range Facilities Plan.

NOTE 13. OTHER RESERVE ACCOUNTS

Pursuant to enabling legislation and rulemaking, the District is permitted to establish legally restricted Reserve funds for Maintenance and Emergencies. The activity of these reserved accounts and their status at June 30, 2015 is as follows:

- Maintenance Reserve: The balance at the end of June 30, 2015 in this account was \$253,256.21.
- Emergency Reserve: The balance at the end of June 30, 2015 in the account is \$1,000,000.00.

NOTE 14. FUND BALANCE APPROPRIATED

General Fund - Of the \$15,106,137.84 General Fund fund balance at June 30, 2015, \$718,390.51.00 has been appropriated and included as anticipated revenue for the year ending June 30, 2015; \$1,281,608.49 is reserved and is appropriated and included as anticipated revenue as “Excess Surplus” for the year ending June 30, 2016; \$2,325,345.79 has been reserved as “Excess Surplus N.J.S.A. 18A:7F-7”; \$253,256.21 has been reserved for the Maintenance Reserve Account; \$1,000,000.00 has been reserved for the Emergency Reserve Account; \$7,001,009.43 has been reserved for the Capital Reserve Account; and the remaining \$2,526,527.41 is unassigned.

NOTES TO FINANCIAL STATEMENTS

NOTE 14. FUND BALANCE APPROPRIATED (CONT'D.)

Capital Projects Fund – At June 30, 2015, the Capital Projects Fund reported a fund balance of \$5,397,413.73.

Debt Service Fund - The \$29,689.09 Debt Service Fund fund balance at June 30, 2015 is reported as restricted. Of the fund balance at June 30, 2015, the full amount has been appropriated as revenue in the 2015-2016 school budget.

NOTE 15. CALCULATION OF EXCESS SURPLUS

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701), the designation for Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. Based upon the reduction in the maximum undesignated surplus permitted as a result of the enactment of S1701, the District had current year excess surplus at June 30, 2015 in the amount of \$2,325,345.79. This amount is required to be utilized as tax relief in the 2016-2017 budget.

NOTE 16. DEFICIT FUND BALANCES

The District did not have a deficit total governmental fund balances at June 30, 2015 reported in the fund statements (modified accrual basis). P.L. 2003 c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes and asset, the other government recognizes a liability. Since the District is not recording the last state aid payment on the GAAP financial statements until the year the State records the payable, it is possible that a positive fund balance could be reported on a mandated budgetary basis while a deficit is reported on a GAAP basis based upon nonrecognition of revenue on the GAAP basis for the final state aid payment.

Pursuant to *N.J.S.A.* 18A:22-44.2 any negative unreserved, undesignated general fund balance that is reported as a direct result from a delay in the payment of state aid until the following fiscal year, is not considered in violation of New Jersey statute and regulation nor in need of corrective action.

NOTE 17. RESTATEMENT OF NET POSITION

As a result of the implementation of "GASB Statement No. 68, effective July 1, 2014. The adoption of this standard required recognition in the Governmental Activities Net Position and Activities of the District's proportionate share of the net pension liability of the Public Employees Retirement System (PERS), and an associated deferred outflows of financial resources for payments made subsequent to the June 30, 2013 measurement date. Prior tot the implementation of GASB Statement No. 68, no amounts were required to be reported in the District's financial statements for its share if the PERS net pension liability or for the specific deferred inflows and deferred outflows of financial resources attributable to the District resulting from Plan operations. PERS pension expenditures/expenses were reported in the year paid, which lags the period in which PERS employer contributions are recorded by one fiscal year. The new standard improves the information provided in government financial reports about pension-related costs, obligations and resources available to satisfy those obligations. A prior period adjustment to effect a restatement of the June 30, 2014 Governmental Activities Net Position was required as follows:

Net Position – Governmental Activities – June 30, 2014		\$109,901,310
June 30, 2013 Proportionate Share of PERS		
Net Pension Liability	(\$51,738,350)	
Accrued Pension Accounts Payable	(2,362,477)	
Less: Deferred Outflow of Resources for		
Payment Subsequent to Measurement Date	<u>2,362,477</u>	
Net Decrease in Governmental Activities Net Position		<u>(51,738,350)</u>
Net Position – Governmental Activities – June 30, 2014 (Restated)		<u>\$58,162,960</u>

NOTES TO FINANCIAL STATEMENTS

NOTE 18. PENDING LITIGATION AND CONTINGENT LIABILITIES

Federal and State Assistance Programs

The Board participates in several federal and state financial assistance grant programs. Entitlement to the funds is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditures of funds for eligible purposes. These programs are also subject to compliance and financial audits by the grantors or their representatives. As of June 30, 2015, the Board does not believe that any material liabilities will result from such audits.

Contingencies

The District is involved in several claims and lawsuits incidental to its operation, which are generally defended through the Board's insurance carriers. Certain claims are in their discovery stage and the potential financial exposure to the Board, if any, cannot currently be ascertained. Except as follows, management indicates there was no litigation pending which, in the event of an adverse or unfavorable outcome, would materially impair the financial position of the Township of Edison School District. One matter pending concerns the James Monroe Elementary School fire and the resulting insurance recovery. On October 19, 2015 the District reached a settlement with the insurance company with regards to the James Monroe Elementary School fire in the amount of \$23,600,000, covering the costs of rebuilding the James Monroe Elementary School eliminating the need for funding by the District, any remaining costs can be covered by the capital reserve account. Currently, the District has recorded commitments in the amount of \$18,936,683.05 in relation to the rebuilding of the James Monroe Elementary School.

NOTE 19. SUBSEQUENT EVENTS

No events have occurred subsequent to the close of the fiscal year, which require disclosure herein.

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART II

BUDGETARY COMPARISON SCHEDULES

SECTION – C

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
REVENUES				
Local Sources:				
Local Tax Levy	\$ 192,344,442.00	\$ 192,344,442.00	\$ 192,344,442.00	-
Tuition - Individuals	50,000.00	50,000.00	207,846.55	157,846.55
Tuition - Other than Individuals - LEA's within the State	100,000.00	100,000.00	471,195.80	371,195.80
Transportation Fees from Individuals	650,000.00	650,000.00	1,086,685.25	436,685.25
Interest Earned on Capital Reserve Funds	10,000.00	10,000.00	18,458.04	8,458.04
Miscellaneous	856,000.00	856,000.00	995,410.84	139,410.84
Total - Local Sources	194,010,442.00	194,010,442.00	195,124,038.48	1,113,596.48
State Sources:				
Transportation Aid	-	-	-	-
Categorical Special Education Aid	8,667,867.00	8,667,867.00	8,667,867.00	-
Equalization Aid	3,675,883.00	3,675,883.00	3,675,883.00	-
Categorical Security Aid	323,459.00	323,459.00	323,459.00	-
Categorical Transportation Aid	829,736.00	829,736.00	829,736.00	-
Other State Aids	284,540.00	284,540.00	299,346.08	14,806.08
Extraordinary Aid (2013-2014)	500,119.00	-	1,741,795.00	1,741,795.00
Extraordinary Aid (2014-2015)	500,119.00	500,119.00	500,119.00	-
Non-Public Transportation Aid	-	-	105,015.00	105,015.00
Homeless Children Aid	-	1,400,000.00	1,428,839.00	28,839.00
On-Behalf T.P.A.F. Pension Contributions (non-budgeted)	-	-	5,705,028.00	5,705,028.00
On-Behalf T.P.A.F. Post-Retirement Medical (non-budgeted)	-	-	9,056,735.00	9,056,735.00
Reimbursed T.P.A.F. Social Security Contributions (non-budgeted)	-	-	7,845,083.45	7,845,083.45
Total - State Sources	14,781,723.00	15,681,604.00	40,178,905.53	24,497,301.53
Federal Sources:				
Special Education Medicaid Initiative (SEMI)	118,841.00	118,841.00	311,536.73	192,695.73
Special Education Medicaid Initiative (SEMI) - ARRA	-	-	17,563.44	17,563.44
Medicaid Admin. Claiming (MAC) - Random Moment in Time Aid	-	-	79,452.45	79,452.45
Total - Federal Sources	118,841.00	118,841.00	408,552.62	289,711.62
Total Revenues	\$ 208,911,006.00	\$ 209,810,887.00	\$ 235,711,496.63	\$ 25,900,609.63

EDISON SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
EXPENDITURES				
Current Expense:				
Regular Programs - Instruction				
Preschool - Salaries of Teachers	\$ 196,523.00	\$ 126,523.00	\$ 117,274.53	\$ 9,248.47
Preschool/Kinderg-Salaries	2,763,164.00	2,663,164.00	2,627,916.88	35,247.12
Grades 1-5 Salaries of Teacher	30,602,189.00	30,602,189.00	30,558,048.10	44,140.90
Grades 6-8 Salaries of Teacher	20,253,012.00	19,828,012.00	19,687,222.36	140,789.64
Grades 9-12 Salaries of Teacher	22,613,485.00	22,173,485.00	22,040,616.84	132,868.16
Regular Programs-Undistributed Instruction				
Other Salaries for Instruction	410,884.00	410,884.00	409,045.29	1,838.71
Purch Professional - Educational Services	12,000.00	14,700.00	14,675.44	24.56
Other Purch Services	25,000.00	25,000.00	4,003.80	20,996.20
General Supplies	1,623,000.00	2,770,673.00	2,770,379.59	293.41
Textbooks	868,000.00	999,982.00	999,171.88	810.12
Other Objects	160,000.00	161,000.00	160,887.50	112.50
Total Regular Programs	79,527,257.00	79,775,612.00	79,389,242.21	386,369.79
Special Education-Instruction:				
Special Education - Multiple Disabilities				
Salaries of Teachers	425,897.00	425,897.00	413,377.10	12,519.90
Other Salaries for Instruction	335,724.00	335,724.00	325,923.92	9,800.08
General Supplies	5,000.00	5,000.00	4,614.75	385.25
Textbooks	1,000.00	1,000.00	-	1,000.00
Total Multiple Disabilities	767,621.00	767,621.00	743,915.77	23,705.23
Special Education - Learning/Language Disabilities				
Salaries of Teachers	352,630.00	352,630.00	347,633.03	4,996.97
Other Salaries for Instruction	69,262.00	69,262.00	63,205.53	6,056.47
General Supplies	5,000.00	5,000.00	4,618.10	381.90
Textbooks	1,000.00	1,000.00	-	1,000.00
Total Learning/Language Disabilities	427,892.00	427,892.00	415,456.66	12,435.34
Special Education-Instruction - Resource Room/Resource Center				
Salaries of Teachers	14,986,214.00	14,826,214.00	14,817,946.84	8,267.16
Other Salaries for Instruction	633,743.00	713,743.00	710,519.37	3,223.63
General Supplies	15,000.00	15,000.00	11,009.17	3,990.83
Textbooks	5,000.00	5,000.00	625.00	4,375.00
Total Resource Room/Resource Center	15,639,957.00	15,559,957.00	15,540,100.38	19,856.62

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Special Education Instruction - Autism				
Salaries of Teachers	580,326.00	580,326.00	559,572.22	20,753.78
Other Salaries for Instruction	566,865.00	566,865.00	536,298.39	30,566.61
General Supplies	5,000.00	5,000.00	4,910.64	89.36
Textbooks	1,000.00	1,000.00	885.64	114.36
Total Instruction - Autism	1,153,191.00	1,153,191.00	1,101,666.89	51,524.11
Special Education Instruction - Preschool Disabilities-Part Time				
Salaries of Teachers	412,321.00	412,321.00	403,881.64	8,439.36
Other Salaries for Instruction	233,322.00	233,322.00	223,499.65	9,822.35
General Supplies	5,000.00	5,000.00	4,999.33	0.67
Textbooks	-	-	-	-
Total Preschool Disabilities-Part Time	650,643.00	650,643.00	632,380.62	18,262.38
Special Education Instruction -Preschool Disabilities-Full Time				
Salaries of Teachers	483,020.00	483,020.00	481,587.90	1,432.10
Other Salaries for Instruction	244,963.00	244,963.00	237,721.26	7,241.74
General Supplies	5,000.00	5,000.00	4,765.54	234.46
Textbooks	-	-	-	-
Total Preschool Disabilities-Full Time	732,983.00	732,983.00	724,074.70	8,908.30
Special Education-Instruction - Home Instruction				
Salaries of Teachers	50,000.00	53,000.00	52,006.50	993.50
Purch Professional - Educational Services	100,000.00	107,000.00	106,894.41	105.59
Total Home Instruction	150,000.00	160,000.00	158,900.91	1,099.09
Total Special Education - Instruction	19,522,287.00	19,452,287.00	19,316,495.93	135,791.07
Bilingual Education-Instruction				
Salaries of Teachers	982,540.00	957,540.00	946,583.13	10,956.87
Other Salaries for Instruction	62,475.00	62,475.00	62,102.00	373.00
Purch Professional - Educational Services	-	-	-	-
General Supplies	10,000.00	10,000.00	2,494.82	7,505.18
Textbooks	25,000.00	5,000.00	129.36	4,870.64
Total Bilingual Education	1,080,015.00	1,035,015.00	1,011,309.31	23,705.69
School Sponsored Co/Extracurricular Activities - Instruction				
Salaries	393,395.00	435,395.00	434,691.72	703.28
Supplies and Materials	90,000.00	93,000.00	92,699.83	300.17

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Total School Sponsored Co/Extracurricular Activities - Instruction	483,395.00	528,395.00	527,391.55	1,003.45
School - Sponsored Athletics - Instruction				
Salaries	1,068,005.00	1,077,005.00	1,076,096.51	908.49
Purch Services	4,000.00	4,000.00	-	4,000.00
Supplies and Materials	305,000.00	344,000.00	343,698.26	301.74
Total School - Sponsored Athletics - Instruction	1,377,005.00	1,425,005.00	1,419,794.77	5,210.23
Other Instructional Programs-Instruction				
Salaries	75,000.00	5,000.00	1,899.00	3,101.00
Supplies and Materials	-	-	-	-
Total Other Instructional Programs-Instruction	75,000.00	5,000.00	1,899.00	3,101.00
Total Instruction	102,064,959.00	102,221,314.00	101,666,132.77	555,181.23
Undistributed Expenditures: Instruction				
Tuition to Other LEA's within the State - Regular	105,000.00	97,000.00	92,911.37	4,088.63
Tuition to Private Schools for the Handicapped - within State	10,481,406.00	10,181,406.00	10,076,507.13	104,898.87
Tuition-State Facilities	178,016.00	178,016.00	178,016.00	-
Tuition-Other	35,000.00	5,000.00	-	5,000.00
Total Undistributed Expenditures-Instruction	10,799,422.00	10,461,422.00	10,347,434.50	113,987.50
Undistributed Expenditures-Attendance and Social Work				
Salaries	189,241.00	165,241.00	162,883.47	2,357.53
Other Purchased Services	-	-	-	-
Total Undistributed Expenditures Attend. & Social Work	189,241.00	165,241.00	162,883.47	2,357.53
Undistributed Expenditures-Health Services				
Salaries	1,909,285.00	1,909,285.00	1,908,513.72	771.28
Purchased Professional and Tech Services	44,000.00	62,000.00	61,293.05	706.95
Supplies and Materials	38,000.00	38,000.00	37,946.63	53.37
Total Undistributed Expenditures-Health Services	1,991,285.00	2,009,285.00	2,007,753.40	1,531.60
Undistributed Expenditures-Speech, OT, PT & Related Services:				
Salaries	2,457,856.00	2,347,856.00	2,344,383.29	3,472.71
Purchased Professional- Educational Services	2,325,000.00	2,480,000.00	2,479,943.31	56.69
Supplies and Materials	30,000.00	34,000.00	33,345.03	654.97

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Total Undistributed Expenditures-Speech, OT, PT & Related Services:	4,812,856.00	4,861,856.00	4,857,671.63	4,184.37
Undistributed Expenditures-Other Support Services Students-Extra. Serv.:				
Salaries	1,106,515.00	1,186,515.00	1,184,818.18	1,696.82
Total Undistributed Expenditures-Other Support Services Students-Extra. Serv.	1,106,515.00	1,186,515.00	1,184,818.18	1,696.82
Undistributed Expenditures-Guidance Students-Extra. Serv.:				
Salaries of Other Professional Staff	4,008,964.00	3,843,964.00	3,839,648.40	4,315.60
Salaries of Secretarial and Clerical Assistants	469,717.00	469,717.00	462,645.01	7,071.99
Purch Professional - Educ Services	410,000.00	490,000.00	485,442.00	4,558.00
Supplies and Materials	22,000.00	22,500.00	21,216.73	1,283.27
Total Undistributed Expenditures-Guidance	4,910,681.00	4,826,181.00	4,808,952.14	17,228.86
Undistributed Expenditures-Child Study Teams				
Salaries of Other Professional Staff	3,631,656.00	3,741,656.00	3,739,169.27	2,486.73
Salaries of Secretarial and Clerical Assistants	386,652.00	316,652.00	311,285.82	5,366.18
Residential Costs	248,847.00	78,847.00	74,330.52	4,516.48
Misc Purchase Services	5,000.00	7,500.00	7,169.49	330.51
Supplies and Materials	20,000.00	20,000.00	19,721.97	278.03
Total Undistributed Expenditures-Child Study Teams	4,292,155.00	4,164,655.00	4,151,677.07	12,977.93
Undistributed Expenditures-Improvement of Instruction Services				
Salaries of Supervisor of Instruction	2,003,540.00	1,968,540.00	1,965,016.93	3,523.07
Salaries of Other Professional Staff	84,250.00	95,250.00	94,530.00	720.00
Salaries of Secretarial and Clerical Assistants	233,225.00	233,225.00	229,580.64	3,644.36
Other Purch Services	5,000.00	5,000.00	4,241.08	758.92
Supplies and Materials	12,000.00	12,000.00	7,496.24	4,503.76
Total Undistributed Expenditures-Improvement of Instruction Services	2,338,015.00	2,314,015.00	2,300,864.89	13,150.11
Undistributed Expenditures-Educa. Media Serv./School Library				
Salaries	852,062.00	782,062.00	767,187.76	14,874.24
Supplies and Materials	230,700.00	235,700.00	235,017.99	682.01
Total Undistributed Expenditures-Educa. Media Serv./School Library	1,082,762.00	1,017,762.00	1,002,205.75	15,556.25

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Instructional Staff Training Services				
Salaries of Supervisor of Instruction	177,306.00	178,306.00	178,022.60	283.40
Salaries of Other Professional Staff	76,100.00	76,100.00	67,625.00	8,475.00
Salaries of Secretarial & Clerical Assist.	59,141.00	60,141.00	59,378.92	762.08
Supplies and Materials	5,000.00	8,500.00	8,458.83	41.17
Other Objects	175,000.00	237,000.00	236,289.55	710.45
Total Undistributed Expenditures-Instructional Staff Training Services	492,547.00	560,047.00	549,774.90	10,272.10
Undistributed Expenditures-Support Services-Gen Admin.				
Salaries	959,346.00	954,346.00	938,140.58	16,205.42
Legal Services	350,000.00	522,591.00	522,084.25	506.75
Audit Fees	46,000.00	46,000.00	46,000.00	-
Other Purch Professional Services	85,000.00	249,294.00	248,914.05	379.95
Communication / Telephone	741,500.00	648,500.00	643,619.38	4,880.62
Misc Purchase Services	985,500.00	971,274.00	956,878.71	14,395.29
General Supplies	90,000.00	97,000.00	96,717.87	282.13
Board of Ed In-House Training/Meeting Supplies	2,500.00	3,500.00	3,141.38	358.62
Judgments against School District	-	36,300.00	36,300.00	-
Misc. Expenditures	20,000.00	20,000.00	10,020.00	9,980.00
Board of Ed Membership Dues and Fees	28,066.00	28,066.00	26,662.70	1,403.30
Total Undistributed Expenditures-Support Services-Gen. Admin.	3,307,912.00	3,576,871.00	3,528,478.92	48,392.08
Undistributed Expenditures-Support Serv-School Admin:				
Salaries of Principals/Asst. Pr/Prog Dir	4,116,529.00	4,111,529.00	4,100,319.05	11,209.95
Salaries of Secretarial and Clerical Assistants	2,584,280.00	2,589,280.00	2,588,452.52	827.48
Other Salaries	5,000.00	5,000.00	3,605.76	1,394.24
Other Purchased Services	85,000.00	99,000.00	93,280.56	5,719.44
Supplies and Materials	100,000.00	100,000.00	-	100,000.00
Total Undistributed Expenditures-Support Serv-School Admin	6,890,809.00	6,904,809.00	6,785,657.89	119,151.11
Undistributed Expenditures-Central Services				
Salaries	1,233,211.00	1,254,211.00	1,353,289.61	(99,078.61)
Purchased Professional Services	89,500.00	89,500.00	89,499.61	0.39
Misc. Purchased Services	12,000.00	12,000.00	9,172.57	2,827.43
Supplies and Materials	33,000.00	31,000.00	30,186.16	813.84
Interest on Lease Purchase Agreements	101,769.00	91,769.00	91,768.45	0.55
Miscellaneous Expenditures	5,000.00	5,000.00	4,015.00	985.00
Total Undistributed Expenditures-Central Services	1,474,480.00	1,483,480.00	1,577,931.40	(94,451.40)

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Admin. Info. Tech				
Salaries	621,566.00	736,566.00	734,999.59	1,566.41
Purchased Professional Services	52,500.00	102,500.00	102,394.34	105.66
Purchased Technical Services	200,000.00	325,000.00	320,495.46	4,504.54
Other Purchased Services	105,000.00	219,000.00	212,643.89	6,356.11
Supplies and Materials	200,000.00	327,000.00	321,762.89	5,237.11
Total Undistributed Expenditures-Admin. Info. Tech	1,179,066.00	1,710,066.00	1,692,296.17	17,769.83
Undistributed Expenditures-Required Maint for School Facilities				
Salaries	1,249,183.00	1,170,183.00	1,161,148.44	9,034.56
Cleaning, Repair, and Maintenance Services	1,085,100.00	2,138,656.00	2,138,595.60	60.40
General Supplies	657,870.00	719,870.00	719,446.90	423.10
Other Objects	75,000.00	178,317.00	177,779.80	537.20
Total Undistributed Expenditures-Required Maint for School Facilities	3,067,153.00	4,207,026.00	4,196,970.74	10,055.26
Undistributed Expenditures-Custodial Services				
Salaries	6,077,412.00	5,629,651.00	5,629,007.10	643.90
Salaries of Non-Instructional Aides	919,086.00	942,086.00	941,514.67	571.33
Cleaning, Repair, and Maintenance Services	462,000.00	463,000.00	462,563.53	436.47
Other Purchased Property Services	205,000.00	244,000.00	243,929.59	70.41
Insurance	402,000.00	372,000.00	371,170.29	829.71
General Supplies	273,000.00	543,000.00	537,834.26	5,165.74
Energy (Natural Gas)	1,475,000.00	895,000.00	841,290.71	53,709.29
Energy (Electricity)	1,575,000.00	1,630,000.00	1,629,840.63	159.37
Other Objects	6,000.00	6,000.00	1,749.80	4,250.20
Total Undistributed Expenditures-Custodial Services	11,394,498.00	10,724,737.00	10,658,900.58	65,836.42
Undistributed Expenditures- Care & Upkeep of Grounds				
Salaries	941,756.00	787,756.00	772,230.23	15,525.77
Cleaning, Repair, and Maintenance Services	30,000.00	62,000.00	60,829.11	1,170.89
General Supplies	132,800.00	260,800.00	260,383.55	416.45
Total Undistributed Expenditures- Care & Upkeep of Grounds	1,104,556.00	1,110,556.00	1,093,442.89	17,113.11
Undistributed Expenditures- Security				
Salaries	604,977.00	559,977.00	555,956.97	4,020.03
Purchased Professional and Technical Services	7,500.00	31,849.00	31,549.00	300.00
General Supplies	12,250.00	17,250.00	13,684.37	3,565.63
Total Undistributed Expenditures- Security	624,727.00	609,076.00	601,190.34	7,885.66
Total Undist. Expenditures - Oper & Maint of Plant Serv.	16,190,934.00	16,651,395.00	16,550,504.55	100,890.45

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Undistributed Expenditures-Student Transportation Services				
Salaries of Non-Instructional Aides	219,300.00	159,300.00	143,181.63	16,118.37
Salaries for Pupil Trans (Bet Home & Sch) - Reg.	759,402.00	919,402.00	916,595.82	2,806.18
Cleaning, Repair, and Maintenance Services	90,000.00	119,000.00	118,664.40	335.60
Contracted Services Aid in Lieu of Payments - NonPublic Sch	550,000.00	485,000.00	475,082.10	9,917.90
Contracted Services Aid in Lieu of Payments - Charter Sch	25,000.00	30,000.00	28,734.71	1,265.29
Contracted Services (Bet. Home and Sch) - Vendors	3,450,000.00	3,530,000.00	3,522,508.22	7,491.78
Contracted Services (Oth. than Bet. Home and Sch) - Vendors	725,000.00	625,000.00	621,479.10	3,520.90
Contracted Services (Special Ed Stds) - Vendors	3,159,171.00	3,214,171.00	3,213,867.15	303.85
Contracted Services (Special Ed Stds) - Joint Agrmnts	50,000.00	25,000.00	22,250.00	2,750.00
Contracted Services (Spl. Ed. Students) - ESCs & CTSA's	500,000.00	1,540,000.00	1,538,838.51	1,161.49
Misc Purchased Services - Transportation	115,000.00	130,000.00	128,984.50	1,015.50
General Supplies	93,800.00	113,800.00	106,204.76	7,595.24
Total Undistributed Expenditures-Student Transportation Serv.	9,736,673.00	10,890,673.00	10,836,390.90	54,282.10
Unallocated Benefits:				
Social Security Contributions	2,050,000.00	2,050,000.00	2,041,000.48	8,999.52
Other Retirement Contributions - PERS	2,400,000.00	2,370,000.00	2,369,874.98	125.02
Unemployment Compensation	-	-	-	-
Worker's Compensation	1,065,526.00	1,085,526.00	1,080,840.49	4,685.51
Health Benefits	27,728,222.00	26,225,733.00	24,649,837.21	1,575,895.79
Health Benefits - Education Jobs Funds	-	-	-	-
Tuition Reimbursement	200,000.00	127,000.00	126,708.00	292.00
Total Unallocated Benefits	33,443,748.00	31,858,259.00	30,268,261.16	1,589,997.84
On-Behalf T.P.A.F. Pension Contrib. (non-budgeted)	-	-	5,705,028.00	(5,705,028.00)
On-Behalf T.P.A.F. Post-Retirement Medical Contrib. (non-budgeted)	-	-	9,056,735.00	(9,056,735.00)
Reimbursed TPAF SS Contributions (non-budgeted)	-	-	7,845,083.45	(7,845,083.45)
Total On-behalf Contributions	-	-	22,606,846.45	(22,606,846.45)
Total Undistributed Expenditures	104,239,101.00	104,642,532.00	125,220,403.37	(20,577,871.37)
Total Current Expense	206,304,060.00	206,863,846.00	226,886,536.14	(20,022,690.14)
Capital Outlay:				
Capital Reserve Interest	10,000.00	10,000.00	-	10,000.00
Total Capital Reserve	10,000.00	10,000.00	-	10,000.00

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Equipment:				
Undistributed Expenditures:				
Instructional Equipment-Undistributed	1,025,000.00	2,840,000.00	2,837,200.89	2,799.11
Required Maint for School Fac.	75,000.00	205,114.00	204,870.77	243.23
School Buses - Special	50,000.00	195,000.00	192,614.33	2,385.67
Total Equipment	<u>1,150,000.00</u>	<u>3,240,114.00</u>	<u>3,234,685.99</u>	<u>5,428.01</u>
Facilities Acquisition and Construction Services:				
Architectural/Engineering Services	80,000.00	406,000.00	405,986.21	13.79
Land and Improvements	200,000.00	204,000.00	203,392.50	607.50
Lease Purchase Agreements - Principal	1,196,000.00	1,196,000.00	1,196,000.00	-
Bldgs. Other than Lease Purchase Agreements	500,000.00	1,838,000.00	1,837,673.59	326.41
Assessment for Debt Service on SDA Funding	102,117.00	102,117.00	102,117.00	-
Total Facilities Acquisition and Construction Services	<u>2,078,117.00</u>	<u>3,746,117.00</u>	<u>3,745,169.30</u>	<u>947.70</u>
Assets Acquired Under Capital Leases - (Non-Budgeted)				
Undistributed Expenditures - School Administration	-	-	1,137,504.58	(1,137,504.58)
Total Capital Outlay	<u>3,238,117.00</u>	<u>6,996,231.00</u>	<u>8,117,359.87</u>	<u>(1,121,128.87)</u>
Special Schools:				
Summer School - Instruction				
Salaries of Teachers	125,000.00	130,000.00	129,548.00	452.00
General Supplies	-	-	-	-
Total Summer School - Instruction	<u>125,000.00</u>	<u>130,000.00</u>	<u>129,548.00</u>	<u>452.00</u>
Summer School - Support Service				
Salaries	10,425.00	27,425.00	26,684.00	741.00
Other Objects	-	-	-	-
Total Summer School - Support Service	<u>10,425.00</u>	<u>27,425.00</u>	<u>26,684.00</u>	<u>741.00</u>
Total Summer School Instruction	<u>135,425.00</u>	<u>157,425.00</u>	<u>156,232.00</u>	<u>1,193.00</u>
Other Special Schools - Instruction				
Salaries of Teachers	150,000.00	163,000.00	162,232.00	768.00
Other Salaries for Instruction	-	-	-	-
General Supplies	5,000.00	7,100.00	6,650.78	449.22
Total Other Special Schools - Instruction	<u>155,000.00</u>	<u>170,100.00</u>	<u>168,882.78</u>	<u>1,217.22</u>

EDISON SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Other Special Schools- Support Services				
Salaries	2,500.00	7,500.00	6,826.13	673.87
Other Objects	<u>4,500.00</u>	<u>1,500.00</u>	<u>984.50</u>	<u>515.50</u>
Total Other Special Services- Support Services	<u>7,000.00</u>	<u>9,000.00</u>	<u>7,810.63</u>	<u>1,189.37</u>
Total Other Special Schools	<u>162,000.00</u>	<u>179,100.00</u>	<u>176,693.41</u>	<u>2,406.59</u>
Total Special Schools	<u>297,425.00</u>	<u>336,525.00</u>	<u>332,925.41</u>	<u>3,599.59</u>
Total Expenditures	\$ <u>209,839,602.00</u>	\$ <u>214,196,602.00</u>	\$ <u>235,336,821.42</u>	\$ <u>(21,140,219.42)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (928,596.00)	\$ (4,385,715.00)	\$ 374,675.21	\$ 4,760,390.21
Other Financing Sources (Uses):				
Operating Transfers In/(Out):				
Transfer of Funds to Charter Schools	(571,284.00)	(574,284.00)	(571,100.00)	3,184.00
Capital Leases (non-budgeted)	<u>-</u>	<u>-</u>	<u>1,137,504.58</u>	<u>1,137,504.58</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,499,880.00)</u>	<u>(4,959,999.00)</u>	<u>941,079.79</u>	<u>5,901,078.79</u>

EDISON SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 GENERAL FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Final Budget	Actual	Variance Final to Actual
Fund Balances, July 1	15,975,395.05	15,975,395.05	15,975,395.05	-
Fund Balances, June 30	\$ 14,475,515.05	\$ 11,515,515.05	\$ 16,916,474.84	\$ (5,400,959.79)
Recapitulation:				
Restricted Fund Balance:			<u>Unassigned Fund Balance</u>	
Capital Reserve	\$	\$ 7,001,009.43		
Emergency Reserve		1,000,000.00		
Maintenance Reserve		253,256.21		
Reserve for Excess Surplus - (Prior Year 2013-2014) - Designated for Subsequent Year's Expenditures		1,281,608.49		
Reserve for Excess Surplus		2,325,345.79		
Assigned Fund Balance:				
Designated for Subsequent Years Expenditures		718,390.51		
Unassigned Fund Balance		4,336,864.41	\$ 4,336,864.41	
		16,916,474.84	4,336,864.41	
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>				
Less:				
Last Two (2) State Aid Payments not recognized on GAAP basis	(1,310,337.00)			
Special Education Extraordinary Aid (2014-15)	(500,000.00)			
		(1,810,337.00)	(1,810,337.00)	
Fund Balance per Governmental Funds (GAAP)		\$ 15,106,137.84	\$ 2,526,527.41	

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EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Revenue from Local Sources	\$ -	\$ 90,000.00	\$ 90,000.00	\$ 72,457.72	\$ (17,542.28)
Total - Local Sources	-	90,000.00	90,000.00	72,457.72	(17,542.28)
State Sources:					
NJ Nonpublic	704,646.00	217,778.00	922,424.00	847,565.96	(74,858.04)
FHA/HERO Grant		163,797.43	163,797.43	133,241.96	(30,555.47)
Anti Bullying		833.05	833.05	883.05	50.00
Total - State Sources	704,646.00	382,408.48	1,087,054.48	981,690.97	(105,363.51)
Federal Sources:					
Title I	806,737.00	612,201.00	1,418,938.00	1,193,711.70	(225,226.30)
I.D.E.A., Part B; PreSchool	2,857,140.00	864,510.95	3,721,650.95	3,376,238.76	(345,412.19)
Title II	233,127.00	112,594.35	345,721.35	315,593.48	(30,127.87)
Title III	66,748.00	76,812.33	143,560.33	63,502.62	(80,057.71)
EE4NJ		905.92	905.92	-	(905.92)
Improve Achieve	-	21,080.21	21,080.21	-	(21,080.21)
Total - Federal Sources	3,963,752.00	1,688,104.76	5,651,856.76	4,949,046.56	(702,810.20)
TOTAL REVENUES	4,668,398.00	2,160,513.24	6,828,911.24	6,003,195.25	(825,715.99)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	650,000.00	846,322.56	1,496,322.56	1,121,159.81	375,162.75
Purch. Prof. & Tech. Services	69,748.00	(65,808.08)	3,939.92	2,490.00	1,449.92
Tuition-Prvt. Schls. For Disabled Within the State		64,866.00	64,866.00	-	64,866.00
Other Purch. Services		-	-	32,356.52	(32,356.52)
General Supplies	5,000.00	72,795.57	77,795.57	107,595.82	(29,800.25)
Textbooks	114,504.00	25,570.00	140,074.00	128,597.00	11,477.00
Other Objects		19,090.00	19,090.00	-	19,090.00
Total Instruction	839,252.00	962,836.05	1,802,088.05	1,392,199.15	409,888.90

EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Support Services:					
Salaries of Program Directors	\$	\$ 104,900.00	\$ 104,900.00	\$ 10,840.00	\$ 94,060.00
Salaries of Teachers		-		67,740.00	(67,740.00)
Salaries of Other Professional Staff		-		6,488.00	(6,488.00)
Salaries of Sec. & Clerical Asst.		-		7,235.00	(7,235.00)
Other Salaries		19,745.00	19,745.00	18,731.57	1,013.43
Personal Services- Empl. Benefits	120,237.00	174,897.68	295,134.68	206,330.69	88,803.99
Purch. Technical Services		383.00	383.00	383.00	-
Purch. Prof. - Educ. Services	1,363,767.00	403,891.52	1,767,658.52	1,752,932.15	14,726.37
Other Purch. Prof. Services	217,945.00	249,360.27	467,305.27	350,262.04	117,043.23
Tuition	1,587,500.00	(182,109.00)	1,405,391.00	1,405,390.50	0.50
Travel		7,596.76	7,596.76	7,687.01	(90.25)
Other Purch. Services	494,945.00	12,204.00	507,149.00	426,567.00	80,582.00
Supplies and Materials	44,752.00	316,807.96	361,559.96	265,703.65	95,856.31
Miscellaneous Expenditures		90,000.00	90,000.00	84,705.49	5,294.51
Total Support Services	<u>3,829,146.00</u>	<u>1,197,677.19</u>	<u>5,026,823.19</u>	<u>4,610,996.10</u>	<u>415,827.09</u>
Total Expenditures	<u>\$ 4,668,398.00</u>	<u>\$ 2,160,513.24</u>	<u>\$ 6,828,911.24</u>	<u>\$ 6,003,195.25</u>	<u>\$ 825,715.99</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>				

NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION – PART II

EDISON SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULE
 NOTE TO RSI
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Note A - Explanation of Differences between Budgetary Inflows and Outflows and
 GAAP Revenues and Expenditures

		General Fund		Special Revenue Fund
Sources/inflows of resources				
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1)	\$ 235,711,496.63	(C-2)	\$ 6,003,195.25
Difference - budget to GAAP:				
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized				-
State aid payments recognized for GAAP statements in the current year, previously recognized for budgetary purposes		1,764,047.00		-
State aid payments recognized for budgetary purposes, not recognized for GAAP statements		(1,810,337.00)		-
Total revenues as reported on the statement of revenues, expenditures and change in fund balances - governmental funds	(B-2)	235,665,206.63	(B-2)	6,003,195.25
Uses/outflows of resources				
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	(C-1)	235,336,821.42	(C-2)	6,003,195.25
Difference - budget to GAAP:				
The district budgets for claims and compensated absences only to the extent expected to paid, rather than on the modified accrual basis.		-		-
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		-		-
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.				
Transfers to capital reserves are recorded as an expenditure for budgetary resources but are not expenditures for financial reporting purposes.		-		
Net transfers (outflows) to general fund		-		-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	(B-2)	\$ 235,336,821.42	(B-2)	\$ 6,003,195.25

**REQUIRED SUPPLEMENTARY
INFORMATION**

PART III

**SCHEDULES RELATED TO ACCOUNTING AND
REPORTING FOR PENSIONS (GASB 68)**

SECTION – L

**(Section numbering as per N.J. Department of Education
2014-2015 Audit Program)**

EDISON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)

Last 10 Fiscal Years*

	<u>2013</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	0.2707115%	0.2865743%
District's Proportionate Share of the Net Pension Liability	\$51,738,350	\$53,654,542
District's Covered-Employee Payroll	\$19,363,025	\$19,750,285
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	267.20%	271.66%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%

* Amounts presented for each fiscal year were determined as of June 30. Additional years will be included in future periods.

**EDISON TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM (Local Group)**

Last 10 Fiscal Years*

	<u>2013</u>	<u>2014</u>
Contractually Required Contribution	\$ 2,039,756	\$ 2,362,477
Contribution in Relation to Contractually Required Contribution	<u>\$ (2,039,756)</u>	<u>\$ (2,362,477)</u>
Contribution deficiency (excess)	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 18,679,084	\$ 19,819,438
Contributions as a percentage of Covered Employee Payroll	10.92%	11.92%

* Amounts presented for each fiscal year were determined as of June 30. Additional years will be included in future periods.

EDISON TOWNSHIP SCHOOL DISTRICT
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND (Non-State Employer Group)

Last 10 Fiscal Years*

	<u>2013</u>	<u>2014</u>
District's Proportion of the Net Pension Liability	1.0713351%	1.0496700%
District's Proportionate Share of the Net Pension Liability	\$541,444,343	\$561,014,437
District's Covered-Employee Payroll	\$107,310,562	\$109,456,773
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	504.56%	512.54%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.76%	33.64%

* Amounts presented for each fiscal year were determined as of June 30. Additional years will be included in future periods.

Note: Percentages shown are Plan-wide, and include NPL and PFNP data that include employees of the State of New Jersey.

NOTES TO THE REQUIRED
SUPPLEMENTARY INFORMATION – PART III

**EDISON TOWNSHIP SCHOOL DISTRICT
COUNTY OF MIDDLESEX, NEW JERSEY**

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
JUNE 30, 2015**

NOTE 1. CHANGES IN ASSUMPTIONS

Net pension liabilities for the years ended June 30, 2013 and 2014 were based on RP-2000 mortality tables utilizing actuarial experience studies covering the following periods:

TPAF: July 1, 2009 to June 30, 2012

PERS: July 1, 2008 to June 30, 2011

OTHER SUPPLEMENTARY INFORMATION

SCHOOL LEVEL SCHEDULES

SECTION – D

SPECIAL REVENUE FUND

SECTION – E

EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Total Brought Forward (Ex. E-1a)	Title I - Part A	I.D.E.A. Part B Basic Regular	Totals
			Current	
REVENUES:				
State Sources	\$ 981,690.97	\$	\$	\$ 981,690.97
Federal Sources	483,449.10	1,193,711.70	3,271,885.76	4,949,046.56
Local Sources	<u>72,457.72</u>			<u>72,457.72</u>
Total Revenues	<u>1,537,597.79</u>	<u>1,193,711.70</u>	<u>3,271,885.76</u>	<u>6,003,195.25</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers	37,223.50	832,504.81	251,431.50	1,121,159.81
Purch. Prof. & Tech. Services	800.00	1,690.00		2,490.00
Other Purch. Services	-	32,356.52		32,356.52
General Supplies	2,613.03	79,721.72	25,261.07	107,595.82
Textbooks	128,597.00			128,597.00
Other Objects	-			-
Total Instruction	<u>169,233.53</u>	<u>946,273.05</u>	<u>276,692.57</u>	<u>1,392,199.15</u>
Support Services:				
Salaries of Supervisors of Instruc.	67,740.00			67,740.00
Salaries of Program Directors	10,840.00			10,840.00
Salaries of Other Prof. Staff	6,488.00			6,488.00
Salaries of Sec. & Clerical Asst.	7,235.00			7,235.00
Other Salaries	17,645.00	1,086.57		18,731.57
Personal Services - Empl. Benefits	10,287.35	176,808.83	19,234.51	206,330.69
Purch. Prof. - Educ. Services	254,148.45	23,608.95	1,475,174.75	1,752,932.15
Other Purch. Prof. Services	269,959.88	28,792.16	51,510.00	350,262.04
Purch. Technical Services	383.00			383.00
Tuition	104,353.00		1,301,037.50	1,405,390.50
Travel	7,562.01	125.00		7,687.01
Other Purch. Services	426,567.00			426,567.00
Supplies and Materials	101,217.10	16,250.12	148,236.43	265,703.65
Miscellaneous Expenditures	<u>83,938.47</u>	<u>767.02</u>		<u>84,705.49</u>
Total Support Services	<u>1,368,364.26</u>	<u>247,438.65</u>	<u>2,995,193.19</u>	<u>4,610,996.10</u>
Total Expenditures	<u>\$ 1,537,597.79</u>	<u>\$ 1,193,711.70</u>	<u>\$ 3,271,885.76</u>	<u>\$ 6,003,195.25</u>

EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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	Total Brought Forward (Ex. E-1b)	<u>I.D.E.A. Part B Preschool Current</u>	<u>Nonpublic Textbooks</u>	<u>Nonpublic Nursing</u>	<u>Nonpublic Technology</u>	<u>Total Carried Forward</u>
REVENUES:						
State Sources	\$ 568,243.97		128,597.00	214,571.00	70,279.00	\$ 981,690.97
Federal Sources	379,096.10	104,353.00				483,449.10
Local Sources	<u>72,457.72</u>					<u>72,457.72</u>
Total Revenues	<u>1,019,797.79</u>	<u>104,353.00</u>	<u>128,597.00</u>	<u>214,571.00</u>	<u>70,279.00</u>	<u>1,537,597.79</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	37,223.50					37,223.50
Purch. Prof. & Tech. Services	800.00					800.00
General Supplies	2,613.03					2,613.03
Textbooks	-		128,597.00			128,597.00
Other Objects	<u>-</u>					<u>-</u>
Total Instruction	<u>40,636.53</u>	<u>-</u>	<u>128,597.00</u>	<u>-</u>	<u>-</u>	<u>169,233.53</u>
Support Services:						
Salaries of Supervisors of Instruc.	67,740.00					67,740.00
Salaries of Program Directors	10,840.00					10,840.00
Salaries of Other Prof. Staff	6,488.00					6,488.00
Salaries of Sec. & Clerical Asst.	7,235.00					7,235.00
Other Salaries	17,645.00					17,645.00
Personal Services - Empl. Benefits	10,287.35					10,287.35
Purch. Prof. - Educ. Services	254,148.45					254,148.45
Other Purch. Prof. Services	55,388.88			214,571.00		269,959.88
Purch. Technical Services	383.00					383.00
Tuition	-	104,353.00				104,353.00
Travel	7,562.01					7,562.01
Other Purch. Services	426,567.00					426,567.00
Supplies and Materials	30,938.10				70,279.00	101,217.10
Miscellaneous Expenditures	<u>83,938.47</u>					<u>83,938.47</u>
Total Support Services	<u>979,161.26</u>	<u>104,353.00</u>	<u>-</u>	<u>214,571.00</u>	<u>70,279.00</u>	<u>1,368,364.26</u>
Total Expenditures	<u>\$ 1,019,797.79</u>	<u>\$ 104,353.00</u>	<u>\$ 128,597.00</u>	<u>\$ 214,571.00</u>	<u>\$ 70,279.00</u>	<u>\$ 1,537,597.79</u>

EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Total Brought Forward (Ex. E-1c)	N.J. Nonpublic Auxiliary Services Ch. 192			N.J. Nonpublic Handicapped Services Ch. 193			Nonpublic Home Instruction	Anti Bullying	Total Carried Forward
		English as a Second Language	Transportation	Compensatory Education	Supplemental Instruction	Examination & Classification	Corrective Speech			
REVENUES:										
State Sources	\$ 133,241.96	\$ 10,962.00	40,951.00	169,621.00	58,853.00	90,607.00	55,573.00	7,551.96	883.05	\$ 568,243.97
Federal Sources	379,096.10									379,096.10
Local Sources	72,457.72									72,457.72
Total Revenues	584,795.78	10,962.00	40,951.00	169,621.00	58,853.00	90,607.00	55,573.00	7,551.96	883.05	1,019,797.79
EXPENDITURES:										
Instruction:										
Salaries of Teachers	37,223.50									37,223.50
Purch. Prof. & Tech. Services	800.00									800.00
General Supplies	2,460.83								152.20	2,613.03
Other Objects	-									-
Total Instruction	40,484.33								152.20	40,636.53
Support Services:										
Salaries of Supervisors of Instruc.	67,740.00									67,740.00
Salaries of Program Directors	10,840.00									10,840.00
Salaries of Other Prof. Staff	6,488.00									6,488.00
Salaries of Sec. & Clerical Asst.	7,235.00									7,235.00
Other Salaries	17,645.00									17,645.00
Personal Services - Empl. Benefits	10,287.35									10,287.35
Purch. Prof. - Educ. Services	254,148.45									254,148.45
Other Purch. Prof. Services	55,041.03								347.85	55,388.88
Purch. Technical Services	-								383.00	383.00
Travel	7,562.01									7,562.01
Other Purch. Services	-	10,962.00	40,951.00	169,621.00	58,853.00	90,607.00	55,573.00			426,567.00
Supplies and Materials	23,386.14							7,551.96		30,938.10
Miscellaneous Expenditures	83,938.47									83,938.47
Total Support Services	544,311.45	10,962.00	40,951.00	169,621.00	58,853.00	90,607.00	55,573.00	7,551.96	730.85	979,161.26
Total Expenditures	\$ 584,795.78	\$ 10,962.00	\$ 40,951.00	\$ 169,621.00	\$ 58,853.00	\$ 90,607.00	\$ 55,573.00	\$ 7,551.96	\$ 883.05	\$ 1,019,797.79

EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Total Brought Forward (Ex. E-1d)	Title III Language Instr.	Total Carried Forward
<u>REVENUES:</u>			
State Sources	\$ 133,241.96	\$	\$ 133,241.96
Federal Sources	315,593.48	63,502.62	379,096.10
Local Sources	<u>72,457.72</u>	<u></u>	<u>72,457.72</u>
Total Revenues	<u>521,293.16</u>	<u>63,502.62</u>	<u>584,795.78</u>
<u>EXPENDITURES:</u>			
Instruction:			
Salaries of Teachers	-	37,223.50	37,223.50
Purch. Prof. & Tech. Services	800.00		800.00
General Supplies	-	2,460.83	2,460.83
Other Objects	<u>-</u>	<u></u>	<u>-</u>
Total Instruction	<u>800.00</u>	<u>39,684.33</u>	<u>40,484.33</u>
Support Services:			
Salaries of Supervisors of Instruc.	67,740.00		67,740.00
Salaries of Program Directors	10,840.00		10,840.00
Salaries of Other Prof. Staff	6,488.00		6,488.00
Salaries of Sec. & Clerical Asst.	7,235.00		7,235.00
Other Salaries	13,200.00	4,445.00	17,645.00
Personal Services - Empl. Benefits	7,099.70	3,187.65	10,287.35
Purch. Prof. - Educ. Services	254,148.45		254,148.45
Other Purch. Prof. Services	51,383.11	3,657.92	55,041.03
Travel	7,562.01		7,562.01
Supplies and Materials	12,339.17	11,046.97	23,386.14
Miscellaneous Expenditures	<u>82,457.72</u>	<u>1,480.75</u>	<u>83,938.47</u>
Total Support Services	<u>520,493.16</u>	<u>23,818.29</u>	<u>544,311.45</u>
Total Expenditures	\$ <u>521,293.16</u>	\$ <u>63,502.62</u>	\$ <u>584,795.78</u>

EDISON SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Title II, Part A Teacher Grants</u>	<u>FHA/HERO Grant</u>	<u>FHA/HERO Org. Funds</u>	<u>Total Carried Forward</u>
<u>REVENUES:</u>				
State Sources	\$		\$	\$
Federal Sources	315,593.48	133,241.96		133,241.96
Local Sources			72,457.72	315,593.48
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	315,593.48	133,241.96	72,457.72	521,293.16
<u>EXPENDITURES:</u>				
Instruction:				
Purch. Prof. & Tech. Services		800.00		800.00
Other Objects				-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Instruction	-	800.00	-	800.00
Support Services:				
Salaries of Supervisors of Instruc.		67,740.00		67,740.00
Salaries of Program Directors		10,840.00		10,840.00
Salaries of Other Prof. Staff		6,488.00		6,488.00
Salaries of Sec. & Clerical Asst.		7,235.00		7,235.00
Other Salaries	13,200.00			13,200.00
Personal Services - Empl. Benefits	1,009.80	6,089.90		7,099.70
Purch. Prof. - Educ. Services	253,648.45	500.00		254,148.45
Other Purch. Prof. Services	41,627.53	9,755.58		51,383.11
Travel		7,562.01		7,562.01
Supplies and Materials	6,107.70	6,231.47		12,339.17
Miscellaneous Expenditures		10,000.00	72,457.72	82,457.72
	<hr/>	<hr/>	<hr/>	<hr/>
Total Support Services	315,593.48	132,441.96	72,457.72	520,493.16
Total Expenditures	\$ <u>315,593.48</u>	\$ <u>133,241.96</u>	\$ <u>72,457.72</u>	\$ <u>521,293.16</u>

CAPITAL PROJECTS FUND

SECTION – F

EDISON SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SUMMARY STATEMENT OF PROJECT EXPENDITURES
YEAR ENDED JUNE 30, 2015

<u>ISSUE/PROJECT TITLE</u>	<u>APPROPRIATIONS</u>	<u>EXPENDITURES TO DATE</u>		<u>TRANSFERS/ CANCELLATIONS</u>	<u>UNEXPENDED BALANCE</u>
		<u>PRIOR YEARS</u>	<u>CURRENT YEAR</u>		
Edison High School Addition	\$ 5,016,300.00	\$ 4,657,369.21	\$ 104,500.00	\$	\$ 254,430.79
Ben Franklin ADA Chairlift	39,490.00	39,490.00			-
James Monroe School Replacement	12,696,022.90	5,131,092.28	2,421,947.68		5,142,982.94
TOTALS	\$ 17,751,812.90	\$ 9,827,951.49	\$ 2,526,447.68	\$ -	\$ 5,397,413.73

Reconciliation - Unexpended Capital Project Balances
to Fund Balance - June 30, 2015:

Unexpended Project Balances - June 30, 2015	\$ 5,397,413.73
Less:	
Unearned Additional State School Aid	-
Total Fund Balance - June 30, 2015	<u>\$ 5,397,413.73</u>

EDISON SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE
IN FUND BALANCE - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2015

Revenues and Other Financing Sources	
State Sources	\$ -
Bond proceeds and transfers	
Lease purchase agreement	
Proceeds from other sources	8,310,722.60
Transfer from capital reserve	
Transfer from capital outlay	
Total revenues	<u>8,310,722.60</u>
Expenditures and Other Financing Uses	
Purchased professional and technical services	237,732.09
Land and Improvements	661,028.88
Construction services	923,673.31
Equipment purchases	530,492.26
Furniture, fixture and supply purchases	173,521.14
Total expenditures	<u>2,526,447.68</u>
Excess (deficiency) of revenues over (under) expenditures	5,784,274.92
Less: Deferred Revenue adjustment	<u>-</u>
Subtotal	5,784,274.92
Fund balance - beginning	(386,861.19)
Fund balance - ending	<u>\$ <u>5,397,413.73</u></u>

Edison Township School District
 Capital Projects Fund
 Schedule of Project Revenues, Expenditures,
 Project Balance and Project Status -
 Budgetary Basis
 From Inception and for the Year Ended June 30, 2015

Project Name:	Totals	EHS Addition 1290-050-12-2000	Ben Franklin ADA Chairlift 1290-065-14-1005	James Monroe School Replacement From Fire Loss 1290-093-14-2000
Revenues and Other Financing				
Sources - as Revised:				
State sources - NJSDA Grant	\$ 14,155.00	\$ -	\$ 14,155.00	\$ -
Bond proceeds and transfers	-			
Lease purchase agreement	5,000,000.00	5,000,000.00	-	
Proceeds from other sources	12,696,022.90			12,696,022.90
Transfer from capital reserve	25,335.00		25,335.00	
Transfer from capital outlay	-			
Transfer (from)/to other projects including prior years	16,300.00	16,300.00	-	-
Total revenues	\$ 17,751,812.90	5,016,300.00	39,490.00	12,696,022.90
Expenditures and Other Financing				
Uses - Prior Periods:				
Purchased professional and technical services	1,707,576.31	585,555.91	2,837.50	1,119,182.90
Land and Improvements	447,241.32			447,241.32
Construction services	6,481,655.13	4,071,813.30		2,409,841.83
Equipment purchases	1,191,478.73		36,652.50	1,154,826.23
Total expenditures - Prior Periods	\$ 9,827,951.49	4,657,369.21	39,490.00	5,131,092.28
Uses - Current Year:				
Purchased professional and technical services	237,732.09			237,732.09
Land and Improvements	661,028.88			661,028.88
Construction services	923,673.31	104,500.00		819,173.31
Equipment purchases	530,492.26			530,492.26
Furniture, fixture and supply purchases	173,521.14			173,521.14
Total expenditures - Current Year	2,526,447.68	104,500.00	-	2,421,947.68
Total expenditures - from inception to June 30, 2015	12,354,399.17	4,761,869.21	39,490.00	7,553,039.96
Excess (deficiency) or revenues over (under) expenditures	\$ 5,397,413.73	\$ 254,430.79	\$ -	\$ 5,142,982.94
Additional project information:				
Grant date		7/6/12	3/17/14	NA
Bond authorization date		NA	NA	NA
Bonds authorized		NA	NA	NA
Bonds Issued		NA	NA	NA
Original authorized cost		5,000,000.00	35,388.00	28,127,796.00
Increase/Decrease local authorized cost		-	4,102.00	-
Revised authorized cost		5,000,000.00	39,490.00	28,127,796.00
Percentage increase over original authorized cost		0%	12%	0%
Percentage completion		95%	50%	0%
Original target completion date		10/31/13	8/31/14	6/30/16
Revised target completion date				

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PROPRIETARY FUNDS

SECTION – G

ENTERPRISE FUND

EDISON SCHOOL DISTRICT
 FOOD SERVICES ENTERPRISE FUND
 COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 1,224,222.59
Accounts Receivable:	
State	3,927.73
Federal	122,044.58
Inventories	88,955.31
Other Receivable	<u>34,950.05</u>

Total Current Assets	<u>1,474,100.26</u>
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Fixed Assets

Equipment	1,072,348.14
Accumulated Depreciation	<u>(822,905.45)</u>

Total Fixed Assets	<u>249,442.69</u>
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Total Assets	<u>\$ 1,723,542.95</u>
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LIABILITIES AND NET POSITION

Current Liabilities

Interfunds Payable	\$ 1,057,330.31
Deferred Revenue - Prepaid Lunch Fees	58,346.09
Deferred Revenue - USDA Commodities	<u>53,603.14</u>

Total Current Liabilities	<u>1,169,279.54</u>
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NET POSITION

Net Investment in Capital Assets	249,442.69
Unrestricted	<u>304,820.72</u>

Total Net Position	<u>554,263.41</u>
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Total Liabilities and Net Position	<u>\$ 1,723,542.95</u>
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EDISON SCHOOL DISTRICT
 FOOD SERVICES ENTERPRISE FUND
 COMBINING STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

OPERATING REVENUES

Local Sources:

Daily Sales - Reimbursable and Nonreimbursable Programs:	
School Lunch Program	\$ 2,327,685.00
Daily Sales - Non-Reimbursable Programs Special Functions, Other Sales and Guarantee	<u>345,286.22</u>
Total Operating Revenues	<u>2,672,971.22</u>

OPERATING EXPENSES

Salaries	1,217,327.00
Employee Benefits	354,345.00
Depreciation	45,839.87
Cost of Sales	1,942,241.00
Food Costs - Food Distribution Program	349,956.73
Supplies and Materials - Semi-Variable Costs	282,503.00
Miscellaneous Costs	230,972.80
General & Administrative - Management Fee	<u>391,770.00</u>
Total Operating Expenses	<u>4,814,955.40</u>
Operating Income (Loss)	<u>(2,141,984.18)</u>
Non-Operating Revenues:	
State Sources	
State School Lunch Program	42,836.55
Federal Sources:	
National School Lunch Program	1,237,567.80
National School Lunch Program - Performance Based	53,810.70
School Breakfast Program	567,066.77
Food Distribution Program	349,956.73
Other - Miscellaneous Interest Revenue	<u> </u>
Total Non-Operating Revenues	<u>2,251,238.55</u>
Net Income (Loss)	109,254.37
Net Position - Beginning of the year	<u>445,009.04</u>
Net Position - End of the year	<u>\$ 554,263.41</u>

EDISON SCHOOL DISTRICT
FOOD SERVICES ENTERPRISE FUND
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 2,672,971.22
Payments to Suppliers	<u>(4,532,306.04)</u>
Net Cash Provided by (used for) Operating Activities	<u>(1,859,334.82)</u>
Cash Flows from Non-Capital Financing Activities	
Operating Transfers/Interfund Transfers/Contributions	(500,513.31)
Federal and State Sources	<u>1,898,792.13</u>
Net Cash Provided by (used for) Non-Capital Financing Activities	<u>1,398,278.82</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(461,056.00)
Cash and Cash Equivalents, July 1	<u>1,685,278.59</u>
Cash and Cash Equivalents, June 30	<u>\$ 1,224,222.59</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Operating Income (Loss)	\$ (2,141,984.18)
Adjust. to Reconcile Operating Income (Loss) to Cash Provided (Used) by Oper. Activities:	
Depreciation	45,839.87
Federal Commodities	349,956.73
(Increase) Decrease in Accounts Receivable	(34,950.05)
(Increase) Decrease in Inventory	(19,497.36)
Increase (Decrease) in Interfunds Payable	54,447.41
Increase (Decrease) in Accounts Payable	<u>(113,147.24)</u>
Net Cash Used by Operating Activities	<u>\$ (1,859,334.82)</u>

INTERNAL SERVICE FUND

EDISON SCHOOL DISTRICT
WORKERS COMPENSATION INSURANCE INTERNAL SERVICE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2015

<u>ASSETS</u>	<u>2015</u>
Cash and Cash Equivalents	\$ 50,025.30
Interfunds Receivable	<u>1,892,033.32</u>
Total Assets	\$ <u><u>1,942,058.62</u></u>
 <u>LIABILITIES</u>	
Accrued Liability for Compensation Claims	\$ <u>594,715.38</u>
Total Liabilities	<u>594,715.38</u>
 <u>NET POSITION</u>	
Net Position Unrestricted	<u>1,347,343.24</u>
Total Net Position	\$ <u><u>1,347,343.24</u></u>

EDISON SCHOOL DISTRICT
 WORKERS COMPENSATION INSURANCE INTERNAL SERVICE FUND
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	2015
<u>EXPENDITURES</u>	
Accrued Compensation Claims and Expenses	\$ <u>127,106.35</u>
Total Expenditures	<u>127,106.35</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(127,106.35)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Uses	<u>(127,106.35)</u>
Other Financing Sources	
Interest Earnings	-
Transfers in	<u>-</u>
Total Other Financing Sources	<u>-</u>
Net Change in Fund Net Position	(127,106.35)
Net Position, July 1	<u>1,474,449.59</u>
Net Position, June 30	\$ <u><u>1,347,343.24</u></u>

EDISON SCHOOL DISTRICT
 WORKERS COMPENSATION INSURANCE INTERNAL SERVICE FUND
 STATEMENT OF CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015

	<u>2015</u>
Cash Flows from Operating Activities:	
Accrued Compensation Claims	\$ <u>(55,998.44)</u>
Net Cash used for Operating Activities	<u>(55,998.44)</u>
Cash Flows from NonCapital Financing Activities:	
Other Sources	-
Transfers from General Fund	<u>86,528.28</u>
Net Cash Flows provided by NonCapital Financing Activities	<u>86,528.28</u>
Net decrease in cash and cash equivalents	30,529.84
Cash and Cash Equivalents, July 1	<u>19,495.46</u>
Cash and Cash Equivalents/(Deficit), June 30	\$ <u><u>50,025.30</u></u>
Reconciliation of operating (loss) to net cash (used) by operating activities:	
Operating income (loss)	(127,106.35)
Adjustments to reconcile operating (loss) to net cash provided by:	
Increase (Decrease) in Accrued Liabilities for Compensation Claims	<u>71,107.91</u>
Total Adjustments	<u>71,107.91</u>
Net Cash (used for) operating activities	\$ <u><u>(55,998.44)</u></u>

FIDUCIARY FUNDS

SECTION - H

EDISON SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2015

	<u>TRUST</u>	<u>TRUST</u>	<u>TRUST</u>	<u>TRUST</u>	<u>AGENCY</u>		<u>TOTALS</u>
	<u>UNEMPLOYMENT COMPENSATION TRUST</u>	<u>VINCENT J CAPRARO SCHOLARSHIP FUND</u>	<u>GENE I MAEROFF SCHOLARSHIP FUND</u>	<u>JAMES MONROE RECOVERY FUND</u>	<u>STUDENT ACTIVITY</u>	<u>PAYROLL</u>	<u>2015</u>
ASSETS							
Cash and Cash Equivalents	\$ 758,150.40	\$ 12,344.82	\$ 18,577.57	\$ 170,303.77	\$ 613,867.38	\$ 1,303,030.83	\$ 2,876,274.77
Total Assets	<u>\$ 758,150.40</u>	<u>\$ 12,344.82</u>	<u>\$ 18,577.57</u>	<u>\$ 170,303.77</u>	<u>\$ 613,867.38</u>	<u>\$ 1,303,030.83</u>	<u>\$ 2,876,274.77</u>
LIABILITIES AND NET POSITION							
Liabilities:							
Payroll Deductions Payable	\$	\$	\$	\$	\$	\$ 1,173,722.28	1,173,722.28
Employee Flexible Spending						129,308.55	129,308.55
Due to Student Groups					613,867.38		613,867.38
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 613,867.38</u>	<u>\$ 1,303,030.83</u>	<u>\$ 1,916,898.21</u>
Net Assets:							
Held Trust for Unemployment Claims and Other Purposes	\$ 758,150.40						\$ 758,150.40
Reserved for Scholarships		12,344.82	18,577.57				30,922.39
Recovery for Fire				170,303.77			170,303.77
Total Net Position	<u>758,150.40</u>	<u>12,344.82</u>	<u>18,577.57</u>	<u>170,303.77</u>	<u>-</u>	<u>-</u>	<u>959,376.56</u>
Total Liabilities and Net Position	<u>\$ 758,150.40</u>	<u>\$ 12,344.82</u>	<u>\$ 18,577.57</u>	<u>\$ 170,303.77</u>	<u>\$ 613,867.38</u>	<u>\$ 1,303,030.83</u>	<u>\$ 2,876,274.77</u>

EDISON SCHOOL DISTRICT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Totals</u>	<u>Unemployment Compensation Trust</u>	<u>Vicent J Capraro Scholarship Trust</u>	<u>Gene I Maeroff Scholarship Trust</u>	<u>James Monroe Recovery Fund Trust</u>
ADDITIONS					
Contributions:					
District/Plan member	\$ 180,563.81	\$ 180,563.81	\$ -	\$ -	\$ -
Donations - Fire Recovery	77,988.05			18,575.00	59,413.05
Total Contributions	<u>258,551.86</u>	<u>180,563.81</u>	<u>-</u>	<u>18,575.00</u>	<u>59,413.05</u>
Investment earnings:					
Interest	2,774.32	2,252.08	41.17	2.57	478.50
Net investment earnings	2,774.32	2,252.08	41.17	2.57	478.50
Total additions	<u>261,326.18</u>	<u>182,815.89</u>	<u>41.17</u>	<u>18,577.57</u>	<u>59,891.55</u>
DEDUCTIONS					
Quarterly contribution reports	142,421.92	142,421.92	-	-	-
Scholarship Donation	750.00	-	750.00	-	-
Total deductions	<u>143,171.92</u>	<u>142,421.92</u>	<u>750.00</u>	<u>-</u>	<u>-</u>
Change in net position	118,154.26	40,393.97	(708.83)	18,577.57	59,891.55
Net position - beginning of the year	841,271.97	717,756.43	13,053.65	-	110,461.89
Net position - end of the year	<u>\$ 959,426.23</u>	<u>\$ 758,150.40</u>	<u>\$ 12,344.82</u>	<u>\$ 18,577.57</u>	<u>\$ 170,353.44</u>

EDISON SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	CASH RECEIPTS	CASH DISBURSEMENTS	BALANCE JUNE 30, 2015
<u>ELEMENTARY SCHOOLS</u>				
Benjamin Franklin	\$ 3,394.20	\$ 7,229.05	8,358.07	\$ 2,265.18
Early Learning Center	152.22			152.22
F. D. Roosevelt	668.62			668.62
James Madison				
Intermediate	12,295.30	30,763.39	27,874.15	15,184.54
James Madison Primary	7,133.24	8,455.79	9,044.04	6,544.99
James Monroe	25,370.13	25,277.71	39,651.34	10,996.50
John Marshall	2,270.86	9,071.64	7,960.30	3,382.20
Lincoln	6,874.41	21,458.42	21,395.84	6,936.99
Lindeneau	1,213.20	9,163.96	7,462.73	2,914.43
Martin Luther King	4,329.89	20,845.15	20,630.47	4,544.57
Menlo Park	8,705.84	13,197.63	16,962.44	4,941.03
Washington	3,193.10	20,752.86	20,392.38	3,553.58
Woodbrook	9,741.84	26,503.41	20,224.74	16,020.51
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Elementary Schools	\$ <u>85,342.85</u>	\$ <u>192,719.01</u>	\$ <u>199,956.50</u>	\$ <u>78,105.36</u>
<u>MIDDLE SCHOOLS</u>				
Herbert Hoover	\$ 29,898.96	\$ 103,580.35	110,451.72	\$ 23,027.59
John Adams	43,029.45	108,552.45	109,607.02	41,974.88
Thomas Jefferson	11,249.56	80,639.34	77,934.78	13,954.12
Woodrow Wilson	14,950.88	106,088.77	101,483.36	19,556.29
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Middle Schools	\$ <u>99,128.85</u>	\$ <u>398,860.91</u>	\$ <u>399,476.88</u>	\$ <u>98,512.88</u>
<u>SENIOR HIGH SCHOOLS AND ATHLETIC FUNDS</u>				
Special Education-Project Pieces	\$ 5,910.42	\$ 38,407.53	36,664.11	\$ 7,653.84
Edison	123,402.13	213,854.13	213,046.41	124,209.85
Edison Athletic Fund	2,422.39	38,445.39	37,118.97	3,748.81
J.P. Stevens	228,746.49	705,859.99	633,031.21	301,575.27
J.P. Stevens Ath. Fund	56.78	33,002.18	32,997.59	61.37
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Senior High Schools	\$ <u>360,538.21</u>	\$ <u>1,029,569.22</u>	\$ <u>952,858.29</u>	\$ <u>437,249.14</u>
Total All Schools	\$ <u>545,009.91</u>	\$ <u>1,621,149.14</u>	\$ <u>1,552,291.67</u>	\$ <u>613,867.38</u>

EDISON SCHOOL DISTRICT
 PAYROLL AGENCY FUND
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014		CASH RECEIPTS		CASH DISBURSEMENTS		BALANCE JUNE 30, 2015
Payroll Agency	1,130,104.07	\$	283,066,375.40	\$	283,022,757.19		1,173,722.28
Less: Payroll			<u>(208,864,738.29)</u>		<u>(208,864,738.29)</u>		
Net Payroll Agency	<u>1,130,104.07</u>		74,201,637.11		74,158,018.90		<u>1,173,722.28</u>
Flexible Spending	<u>99,240.13</u>		<u>187,013.59</u>		<u>156,945.17</u>		<u>129,308.55</u>
	<u>\$ 1,229,344.20</u>	\$	<u>74,388,650.70</u>	\$	<u>74,314,964.07</u>	\$	<u>1,303,030.83</u>

LONG-TERM DEBT

SECTION - I

EDISON SCHOOL DISTRICT
STATEMENT OF SERIAL BONDS
JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	ANNUAL MATURITIES		INTEREST RATES	BALANCE JUNE 30, 2014	RETIRED	BALANCE JUNE 30, 2015
			DATE	AMOUNT				
Refunding School Bonds (\$8,000,000 of 01/01/2000)	02/01/03	\$ 5,545,000.00				\$ 480,000.00	\$ 480,000.00	\$ -
Refunding School Bonds (\$5,092,000 of 10/15/2002)	11/17/10	4,995,000.00	07/15/15	425,000.00	3.500%	4,190,000.00	415,000.00	3,775,000.00
			07/15/16	440,000.00	3.500%			
			07/15/17	450,000.00	3.000%			
			07/15/18	470,000.00	4.000%			
			07/15/19	490,000.00	3.500%			
			07/15/20	500,000.00	4.000%			
			07/15/21	500,000.00	3.500%			
			07/15/22	500,000.00	4.000%			
Refunding School Bonds (\$2,560,000 of 02/01/2003)	04/17/14	2,585,000.00	07/01/15	510,000.00	1.000%	2,585,000.00	40,000.00	2,545,000.00
			07/01/16	505,000.00	2.000%			
			07/01/17	510,000.00	2.000%			
			07/01/18	510,000.00	3.000%			
			07/01/19	510,000.00	2.000%			
					<u>2,585,000.00</u>	<u>40,000.00</u>	<u>2,545,000.00</u>	
					<u>\$ 7,255,000.00</u>	<u>\$ 935,000.00</u>	<u>\$6,320,000.00</u>	

EDISON SCHOOL DISTRICT
STATEMENT OF LEASE PURCHASE AGREEMENTS
JUNE 30, 2015

ISSUE	DATE OF ISSUE	AMOUNT OF ISSUE	MATURITIES		INTEREST RATES	BALANCE JUNE 30, 2014	RETIRED	BALANCE JUNE 30, 2015
			YEAR ENDED	AMOUNT				
Woodbrook/Lindeneau Improvs.	05/01/99	\$ 3,570,000.00	12/15/15	115,000.00	4.750%	\$ 1,075,000.00	\$ 220,000.00	\$ 855,000.00
			06/15/16	115,000.00	4.750%			
			12/15/16	120,000.00	4.750%			
			06/15/17	120,000.00	4.750%			
			12/15/17	125,000.00	4.750%			
			06/15/18	130,000.00	4.750%			
			12/15/18	130,000.00	4.750%			
Roof Repairs & Renovations	07/15/09	3,745,000.00	06/15/16	440,000.00	3.250%	1,785,000.00	425,000.00	1,360,000.00
			06/15/17	450,000.00	3.500%			
			06/15/18	470,000.00	3.750%			
JP Stevens 2nd Floor Renovations	03/15/10	4,975,048.00				1,186,000.00	1,186,000.00	-
Edison High School Addition	04/30/13	5,000,000.00	10/15/15	1,595,000.00	1.1557%	5,000,000.00	10,000.00	4,990,000.00
			10/15/16	1,660,000.00	1.1557%			
			10/15/17	1,725,000.00	1.1557%			
						<u>\$ 9,046,000.00</u>	<u>\$ 1,841,000.00</u>	<u>\$ 7,205,000.00</u>

EDISON SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,652,756.00		\$ 1,652,756.00	\$ 1,652,756.00	\$ -
State Sources:					
Debt Service State Aid	254,852.00		254,852.00	254,852.00	-
Total - State Sources	254,852.00	-	254,852.00	254,852.00	-
Total Revenues	1,907,608.00	-	1,907,608.00	1,907,608.00	-
EXPENDITURES:					
Regular Debt Service:					
Redemption of Bond Principal	895,000.00	41,000.00	936,000.00	935,082.22	(917.78)
Bond Interest	258,734.00	(41,000.00)	217,734.00	188,962.78	(28,771.22)
Principal Payments - Lease Purchase	645,000.00		645,000.00	645,000.00	-
Interest Payments - Lease Purchase	108,875.00		108,875.00	108,875.00	-
Total Regular Debt Service	1,907,609.00	-	1,907,609.00	1,877,920.00	(29,689.00)
Total expenditures	1,907,609.00	-	1,907,609.00	1,877,920.00	(29,689.00)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1.00)	-	(1.00)	29,688.00	29,689.00
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(1.00)	-	(1.00)	29,688.00	29,689.00
Fund Balance, July 1	1.09		1.09	1.09	
Fund Balance, June 30	0.09	-	0.09	29,689.09	29,689.00
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	\$ (1.00)	\$ -	\$ (1.00)	\$ 29,688.00	\$ 29,689.00

STATISTICAL SECTION

SECTION – J

Financial Trends

**EDISON BOARD OF EDUCATION
NET POSITION BY COMPONENTS
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-1

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental activities										
Invested in capital assets, net of related debt										
Restricted	\$ 60,674,100	\$ 70,416,288	\$ 72,584,411	\$ 73,381,263	\$ 74,719,690	\$ 76,110,884	\$ 81,142,921	\$ 88,724,307	\$ 97,494,793	\$ 100,882,684
Unrestricted	543,314	235,111	217,687	219,603	3,153,425	9,565,787	4,036,225	5,934,671	10,805,180	18,635,666
Total governmental activities net assets	<u>\$ 61,456,647</u>	<u>\$ 68,683,414</u>	<u>\$ 70,687,478</u>	<u>\$ 70,038,809</u>	<u>\$ 76,130,427</u>	<u>\$ 86,299,532</u>	<u>\$ 91,291,611</u>	<u>\$ 99,540,999</u>	<u>\$ 58,162,960</u>	<u>\$ 67,251,336</u>
Business-type activities										
Invested in capital assets, net of related debt										
Restricted	\$ 129,540	\$ 145,867	\$ 98,038	\$ 68,880	\$ 22,287	\$ 91,569	\$ 81,007	\$ 77,235	\$ 295,283	\$ 249,443
Unrestricted	(101,506)	(42,413)	(58,606)	(2,736)	180,256	294,214	225,462	144,660	149,726	304,821
Total business-type activities net assets	<u>\$ 28,034</u>	<u>\$ 103,455</u>	<u>\$ 39,432</u>	<u>\$ 66,145</u>	<u>\$ 202,544</u>	<u>\$ 385,783</u>	<u>\$ 306,468</u>	<u>\$ 221,895</u>	<u>\$ 445,009</u>	<u>\$ 554,263</u>
District-wide										
Invested in capital assets, net of related debt										
Restricted	\$ 60,803,640	\$ 70,562,155	\$ 72,682,449	\$ 73,450,144	\$ 74,741,978	\$ 76,202,453	\$ 81,223,928	\$ 88,801,542	\$ 97,790,076	\$ 101,132,127
Unrestricted	543,314	235,111	217,687	219,603	3,153,425	9,565,787	4,036,225	5,934,671	10,805,180	18,635,666
Total district net position	<u>\$ 61,484,680</u>	<u>\$ 68,786,868</u>	<u>\$ 70,726,910</u>	<u>\$ 70,104,954</u>	<u>\$ 76,332,971</u>	<u>\$ 86,685,315</u>	<u>\$ 91,598,079</u>	<u>\$ 99,762,894</u>	<u>\$ 58,607,969</u>	<u>\$ 67,805,599</u>

Source: CAFR Schedule A-1

**EDISON BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental Activities										
Instruction										
Regular	\$ 67,102,624	\$ 70,331,997	\$ 70,984,016	\$ 75,406,051	\$ 82,441,905	\$ 75,824,065	\$ 77,501,977	\$ 79,340,121	\$ 81,833,869	\$ 85,784,306
Special Education	15,241,573	15,880,809	16,934,353	19,252,012	20,464,766	22,483,000	20,533,556	20,918,581	21,357,288	19,316,496
Other Special Instruction	1,299,127	1,299,008	1,662,809	1,619,937	1,524,609	1,507,743	1,617,027	1,365,947	1,280,357	1,011,309
Other Instruction	1,799,313	1,784,560	1,614,954	1,727,015	1,710,445	1,480,696	1,788,852	1,895,474	1,827,688	1,949,085
Adult/ continuing education programs	310,682	343,223	180,880	179,591	202,806					
Support Services										
Tuition	9,023,830	12,907,563	12,912,889	11,589,931	10,905,647	10,462,183	10,463,006	11,886,418	11,097,935	10,347,435
Student & Instruction Related Services	16,666,372	17,468,083	20,632,823	22,500,053	19,844,347	21,848,881	23,598,078	24,378,565	24,154,306	27,074,494
School Administrative Services	5,428,218	5,746,113	5,378,174	5,162,077	5,589,170	4,248,634	6,292,457	6,545,514	6,596,004	6,785,658
General & Business Administrative Services	3,976,282	4,479,794	4,769,443	4,633,764	5,002,774	5,071,594	5,520,361	5,822,925	6,348,868	6,798,706
Plant Operations and Maintenance	14,482,894	16,015,468	16,150,566	16,744,414	16,340,315	15,628,152	15,970,556	16,228,439	16,413,203	16,550,505
Pupil Transportation	7,242,723	9,243,992	9,529,692	10,459,101	9,450,453	8,714,374	9,477,918	9,722,794	10,083,828	10,836,391
Unallocated Benefits	39,810,480	42,316,480	44,410,510	38,438,332	40,487,589	43,631,352	49,696,265	50,598,631	48,838,297	53,867,809
Special Schools										
Charter Schools	141,932	141,063	197,102	164,716	173,178	178,176	283,557	347,500	343,070	332,925
Interest on Long-Term Debt	905,110	871,006	797,171	750,169	644,116	687,456	492,801	460,308	357,357	286,626
Other related capital assets and debt (net)								(2,688,062)	(2,678,590)	-
Unallocated Depreciation & Amortization	513,245	589,587	358,415	837,601	698,313	1,073,275	726,878	888,895	1,404,837	1,285,512
Capital Outlay										
Total Governmental Activities	183,944,403	199,418,747	206,513,798	209,464,763	215,480,434	212,839,581	223,963,288	227,712,048	229,258,318	242,227,257
Business-Type Activities:										
Food Service	3,325,413	3,440,533	3,682,840	3,680,889	3,737,016	3,726,627	4,400,187	4,614,168	4,417,049	4,814,955
Child Care										
Total Business-Type Activities	3,325,413	3,440,533	3,682,840	3,680,889	3,737,016	3,726,627	4,400,187	4,614,168	4,417,049	4,814,955
Total Primary Government Expenses	\$ 187,269,816	\$ 202,859,280	\$ 210,196,638	\$ 213,145,652	\$ 219,217,450	\$ 216,566,208	\$ 228,363,475	\$ 232,326,216	\$ 233,675,366	\$ 247,042,212
Program Revenues										
Governmental Activities										
Charges for Services										
Instruction (tuition)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Pupil Transportation										
Unallocated Benefits	13,849,225	20,310,280	20,751,763	13,916,640	14,480,226	14,668,932	18,296,710	22,567,903	19,555,148	22,606,846
Business and Other Support Services										
Operating Grants and Contributions										
Interest on Long-Term Debt	143,460	332,597	328,075	325,093	319,524	267,789	545,590	261,377	257,511	254,852
Capital Grants and Contributions										
Total Governmental Activities Program Revenues	13,992,685	20,642,877	21,079,838	14,241,733	14,799,750	14,936,721	18,842,300	22,829,280	19,812,659	22,861,698
Business-Type Activities										
Charges for Services										
Food Service	2,538,913	2,669,602	2,653,899	2,722,751	2,636,635	2,656,156	2,744,292	2,563,961	2,532,414	2,672,971
Child Care										
Operating Grants and Contributions										
Capital Grants and Contributions	751,474	846,352	964,919	979,546	1,229,284	1,250,622	1,576,360	1,965,376	2,105,405	2,251,239
Total Business-Type Activities Program Revenues	3,290,387	3,515,954	3,618,818	3,702,297	3,865,919	3,906,778	4,320,652	4,529,338	4,637,818	4,924,210
Total District Program Revenues	\$ 17,283,072	\$ 24,158,832	\$ 24,698,656	\$ 17,944,030	\$ 18,665,669	\$ 18,843,499	\$ 23,162,952	\$ 27,358,618	\$ 24,450,477	\$ 27,785,908
Net (Expense)/Revenue										
Governmental Activities	\$ (169,951,718)	\$ (178,775,869)	\$ (185,433,960)	\$ (195,223,030)	\$ (200,680,684)	\$ (197,902,860)	\$ (205,120,987)	\$ (204,882,768)	\$ (209,445,659)	\$ (219,365,559)
Business-Type Activities	(35,026)	75,421	(64,022)	21,408	128,903	180,151	(79,536)	(84,830)	220,770	109,254

**EDISON BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-2

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total District-Wide Net Expense	\$ (169,986,744)	\$ (178,700,449)	\$ (185,497,982)	\$ (195,201,622)	\$ (200,551,781)	\$ (197,722,709)	\$ (205,200,523)	\$ (204,967,598)	\$ (209,224,889)	\$ (219,256,304)
General Revenues and Other Changes in Net Assets										
Governmental Activities										
Property Taxes, Levied for General Purposes, Net	\$ 151,165,612	\$ 158,946,183	162,393,143	168,982,638	174,745,531	183,239,782	186,903,983	186,560,713	188,618,861	192,344,442
Taxes Levied for Debt Service	2,113,100	1,753,245	1,733,711	1,726,306	1,688,900	1,841,249	1,387,738	1,674,995	1,572,148	1,652,756
Unrestricted Grants and Contributions	18,115,301	16,288,896	14,602,823	16,211,061	19,475,906	11,952,014	14,908,375	16,949,425	16,669,027	17,934,322
Restricted Grants and Contributions	5,981,175	6,139,714	6,345,413	5,638,462	9,110,623	8,605,642	5,510,649	5,794,819	5,862,203	5,930,738
Tuition Received	71,508	295,962	85,997	173,477	169,794	240,243	357,727	729,781	1,131,055	679,042
Fire Recovery									4,385,300	8,310,723
Refunding Bonds Net Proceeds									54,500	
Miscellaneous Income	1,882,428	2,635,417	2,353,400	1,706,264	1,577,987	2,114,294	1,264,921	1,733,559	2,009,746	2,173,012
Special Item(s) - Prior Year Adjustments - Net				171,026	53,925	205,875	(3,307)	132,266	118,331	
Transfers	(85,134)	(56,781)	(76,463)	(34,873)	(50,363)	(127,134)	(217,020)	(443,401)	(482,538)	(571,100)
Total Governmental Activities	179,243,990	186,002,636	187,438,024	194,574,361	206,772,302	208,071,965	210,113,066	213,132,157	219,938,634	228,453,934
Business-Type Activities										
Miscellaneous Income				5,305	7,496	3,088	222	-	2,345	
Transfers										
Total Business-Type Activities				5,305	7,496	3,088	222	-	2,345	
Total Primary Government	\$ 179,243,990	\$ 186,002,636	\$ 187,438,024	\$ 194,579,665	\$ 206,779,798	\$ 208,075,053	\$ 210,113,287	\$ 213,132,157	\$ 219,940,979	\$ 228,453,934
Change in Net Position										
Governmental Activities	\$ 9,292,272	\$ 7,226,767	\$ 2,004,064	\$ (648,669)	\$ 6,091,618	\$ 10,169,105	\$ 4,992,078	\$ 8,249,389	\$ 10,492,975	\$ 9,088,375
Business-Type Activities	(35,026)	75,421	(64,022)	26,712	136,399	183,239	(79,314)	(84,830)	223,114	109,254
Total District	\$ 9,257,246	\$ 7,302,188	\$ 1,940,042	\$ (621,957)	\$ 6,228,017	\$ 10,352,344	\$ 4,912,764	\$ 8,164,559	\$ 10,716,089	\$ 9,197,630

Source: CAFR Schedule A-2

**EDISON BOARD OF EDUCATION
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-3

(modified accrual basis of accounting)

	Fiscal Year Ending June 30, 2015									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund										
Reserved:	\$ 658,885	\$ 210,442	\$ 217,687	\$ 219,603	\$ 222,356	\$ 4,199,364	\$ 2,938,867	\$ 5,075,951	\$ 9,276,614	\$ 10,579,611
Unreserved:	2,321,879	1,108,457	646,307	(1,254,761)	(449,387)	3,117,979	8,733,763	6,956,488	4,934,734	4,526,526
Total General Fund	<u>\$ 2,980,764</u>	<u>\$ 1,318,899</u>	<u>\$ 863,994</u>	<u>\$ (1,035,158)</u>	<u>\$ (227,031)</u>	<u>\$ 7,317,343</u>	<u>\$ 11,672,629</u>	<u>\$ 12,032,439</u>	<u>\$ 14,211,348</u>	<u>\$ 15,106,138</u>
All Other Governmental Funds										
Reserved:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, Reported In:										
Special Revenue Fund	(13,132)	(13,132)	(13,132)							
Capital Projects Fund	542,362	23,881			2,931,070	3,346,589	1,161,762	465,937	(386,861)	5,397,414
Debt Service Fund	452	787	9,344	9,009	12,217	131,470	81,569	81,570	1	29,689
Total All Other Governmental Funds	<u>\$ 529,682</u>	<u>\$ 11,536</u>	<u>\$ (3,788)</u>	<u>\$ 9,009</u>	<u>\$ 2,943,286</u>	<u>\$ 3,478,059</u>	<u>\$ 1,243,331</u>	<u>\$ 547,507</u>	<u>\$ (386,860)</u>	<u>\$ 5,427,103</u>

Source: CAFR Schedule B-1

**EDISON BOARD OF EDUCATION
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-4

(modified accrual basis of accounting)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues										
Tax levy	\$ 153,278,712	\$ 160,699,428	\$ 164,126,854	\$ 170,708,944	\$ 176,434,431	\$ 185,081,031	\$ 188,291,721	\$ 188,235,708	\$ 190,191,009	\$ 193,997,198
Tuition charges	71,508	295,962	85,997	173,477	169,794	240,243	357,727	729,781	1,131,055	679,042
Local charges	-	-	-	-	-	-	-	-	-	-
Transportation charges	-	-	-	611,952	602,375	923,819	773,676	797,137	1,011,345	1,086,685
Miscellaneous	1,882,428	2,635,417	2,353,400	1,012,843	915,704	1,119,750	418,049	839,386	998,401	1,013,869
Financing sources	-	-	-	-	-	-	-	5,000,000	-	-
Local sources	-	-	-	81,469	59,908	70,725	73,196	97,036	88,970	72,458
State sources	33,664,179	38,343,929	37,778,955	31,740,750	37,019,157	28,782,598	33,905,359	40,457,534	37,250,007	41,369,159
Federal sources	4,424,982	4,727,559	4,249,118	4,350,506	7,188,400	6,443,990	5,355,965	5,115,991	5,108,036	5,357,599
Total revenue	193,321,809	206,702,295	208,594,325	208,679,941	222,389,768	222,662,156	229,175,693	241,272,572	235,778,824	243,576,010
Expenditures										
Instruction										
Regular instruction	65,455,814	68,748,445	69,856,563	72,041,253	79,290,847	71,933,736	74,684,942	76,044,909	77,295,794	80,781,441
Special education instruction	15,241,573	15,880,809	16,934,353	19,252,012	20,464,766	22,483,000	20,533,556	20,918,581	21,357,288	19,316,496
Other special instruction	1,299,127	1,299,008	1,662,809	1,619,937	1,524,609	1,507,743	1,617,027	1,365,947	1,280,357	1,011,509
Vocational education	-	-	-	-	-	-	-	-	-	-
Other instruction	1,799,313	1,784,560	1,614,954	1,727,015	1,710,445	1,480,696	1,788,852	1,895,474	1,827,688	1,949,085
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education	310,682	343,223	180,880	179,591	202,806	-	-	-	-	-
Support Services:										
Tuition	9,023,830	12,907,563	12,912,889	11,589,931	10,905,647	10,462,183	10,463,006	11,886,418	11,097,935	10,347,435
Student & inst. related services	16,666,372	17,468,083	20,632,823	22,500,053	19,844,347	21,848,881	23,598,078	24,378,565	24,154,306	25,637,598
General administration	-	-	-	-	-	-	-	-	-	-
School administrative services	5,636,851	5,714,907	5,946,655	6,037,172	6,190,225	5,959,370	6,263,586	6,545,514	6,596,004	6,785,658
Other administrative services	4,184,915	4,479,794	4,769,443	4,633,764	5,002,774	5,071,594	5,520,361	5,822,925	6,348,868	6,798,706
Central services	-	-	-	-	-	-	-	-	-	-
Admin. information technology	-	-	-	-	-	-	-	-	-	-
Plant operations and maintenance	14,482,894	16,015,468	16,150,566	16,744,414	16,340,315	15,628,152	15,970,556	16,228,439	16,413,203	16,550,505
Pupil transportation	7,242,723	9,243,992	9,529,692	10,459,101	9,450,453	8,714,374	9,477,918	9,722,794	10,083,828	10,836,391
Unallocated Benefits	-	-	-	37,901,126	39,913,850	41,943,194	47,661,928	51,603,300	49,454,050	52,875,108
Other Support Services	-	-	-	-	-	-	-	-	-	-
Employee benefits	38,912,133	41,006,714	43,015,212	-	-	-	-	-	-	-
Food Service	-	-	-	-	-	-	-	-	-	-
Special Schools	141,932	141,063	197,102	164,716	173,178	178,176	283,557	347,500	343,070	332,925
Charter Schools	-	-	-	-	-	-	-	-	-	-
Capital outlay	13,004,197	12,158,928	1,994,027	2,633,843	8,889,096	3,219,906	7,021,558	12,621,651	10,745,385	10,643,808
Debt service:										
Principal	1,395,000	1,205,000	1,235,000	1,280,000	1,375,000	1,395,000	1,435,000	1,465,000	1,490,000	1,580,082
Interest and other charges	937,684	880,506	818,229	771,734	630,216	687,221	548,229	471,371	421,228	297,838
Cost of issuance	-	-	-	-	-	-	-	-	-	54,500
Total expenditures	195,735,040	209,278,063	207,451,198	209,535,662	221,908,576	212,513,226	226,868,152	241,318,388	238,963,505	245,744,384
Excess (Deficiency) of revenues over (under) expenditures	(2,413,231)	(2,575,768)	1,143,127	(855,721)	481,192	10,148,930	2,307,541	(45,815)	(3,184,681)	(2,168,374)
Other Financing sources (uses)										
Refunding Bonds proceeds	-	1,000,000	-	-	-	4,995,000	-	-	2,585,000	-
Refunding Bonds Premium	-	-	-	-	-	-	-	-	83,163	-
Payment to Bond Escrow Agent	-	-	-	-	-	(5,185,309)	-	-	(2,613,663)	-
Insurance- Fire Recovery	-	-	-	-	-	-	-	-	4,385,300	8,310,723
Lease Purchases	-	-	-	-	4,975,048	-	-	-	-	-
Capital leases (non-budgeted)	2,440,151	467,013	33,229	-	318,880	59,045	33,345	20,936	353,629	1,137,505
Spec. Education Extraordinary Aid Recovery	-	-	-	-	-	(164,522)	-	-	-	-
Debt Service Aid Adjustment	-	-	-	-	-	(119,252)	(69,351)	-	-	-
Transfer-Out- Workers Compensation	-	-	(1,570,122)	(1,166,786)	(1,215,000)	(2,300,000)	-	-	-	-
Prior Year Accounts Receivable/ Payables Adjusted - Net	-	-	-	171,026	53,925	489,649	66,044	132,266	118,331	-
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	(1,221,289)	(1,071,255)	(76,463)	(34,873)	(50,363)	(127,134)	(217,020)	(443,401)	(482,538)	(571,100)
Adjustments (net) - Special Rev. Fund	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	1,218,862	395,758	(1,613,357)	(1,030,633)	4,082,490	(2,352,524)	(186,982)	(290,199)	4,429,223	8,877,127
Special Item										
Cancellation of Accrued Liability	-	-	-	-	-	-	-	-	-	-
Deferred Revenue Adjustment	-	-	-	-	(821,278)	-	-	-	-	-
Total special item	-	-	-	-	(821,278)	-	-	-	-	-
Net change in fund balances	\$ (1,194,369)	\$ (2,180,010)	\$ (470,230)	\$ (1,886,354)	\$ 3,742,404	\$ 7,796,407	\$ 2,120,559	\$ (336,014)	\$ 1,244,542	\$ 6,708,753
Debt service as a percentage of noncapital expenditures	1.28%	1.06%	1.00%	0.99%	0.94%	0.99%	0.90%	0.85%	0.84%	0.80%
Source: District records										

Note: Noncapital expenditures are total expenditures less capital outlay.

Central Service and Administrative Information Technology account classifications were added beginning with year end June 30, 2005.

Prior to June 30, 2005, Central Service and Administrative Information Technology were combined in Other Support Services as Business and Other Support Services.

**EDISON BOARD OF EDUCATION
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-5

(modified accrual basis of accounting)

	<u>Tuition</u>	<u>Interest on Investments</u>	<u>Adult Education Fees</u>	<u>Miscellaneous</u>	<u>Building Use Fees</u>	<u>Annual Totals</u>
Fiscal Year Ending June 30,						
2006	39,457	387,700	264,533	666,261	-	1,357,950
2007	153,164	840,525	235,242	514,842	-	1,743,773
2008	85,997	364,838	235,648	63,475	718,790	1,468,748
2009	173,477	226,840	295,108	224,328	266,567	1,186,320
2010	169,794	69,895		619,360	223,696	1,082,745
2011	240,243	69,051		1,046,252		1,355,547
2012	357,727	51,588		1,140,136		1,549,451
2013	729,781	76,734		1,559,789		2,366,304
2014	1,131,055	66,030		932,371		2,129,456
2015	679,042	72,557		594,227		1,345,826

Source: District records- See Exh. C-1

Revenue Capacity

**EDISON BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS
 UNAUDITED**

Exhibit J-6

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax-Exempt Property	Public Utilities ^a	Net Valuation Taxable	Estimated Actual (County Equalized Value)	Total Direct School Tax Rate ^b
2006	\$ 173,295,900	\$ 4,248,390,800	\$ -	\$ 15,000	\$ 1,124,622,700	\$ 1,275,084,300	\$ 470,403,300	\$ 7,291,812,000	\$ 30,261,900	\$ 11,314,357	\$ 7,303,126,357	\$ 9,520,435,871	\$ 2.171
2007	167,916,500	4,322,860,900	-	14,600	1,105,731,700	1,278,726,600	454,295,000	7,329,545,300	22,306,700	10,345,995	7,339,891,295	9,568,363,049	2.231
2008	168,454,100	4,359,806,200	-	14,600	1,113,955,400	1,259,429,800	456,944,900	7,358,605,000	14,718,400	9,754,893	7,368,359,893	9,605,475,027	2.289
2009	167,522,800	4,418,880,900	-	14,600	1,106,888,800	1,178,035,800	455,797,600	7,327,140,500	11,248,200	9,519,148	7,336,659,648	9,564,150,239	2.383
2010	154,149,100	4,453,710,400	-	21,500	1,095,414,700	1,162,540,900	430,375,500	7,296,212,100	6,938,400	9,353,760	7,305,565,860	9,523,616,034	2.490
2011	143,814,100	4,470,058,100	-	21,500	1,078,068,700	995,247,500	418,501,300	7,105,711,200	2,602,700	8,539,091	7,114,250,291	9,274,214,954	2.625
2012	139,055,500	4,484,044,000	-	21,500	1,091,939,000	946,466,000	385,957,000	7,047,483,000	2,602,700	8,894,673	7,056,377,673	9,198,771,572	2.668
2013	130,070,200	4,492,524,800	-	21,500	1,076,715,300	904,392,300	385,687,000	6,989,411,100	2,602,700	8,475,734	6,997,886,834	9,122,522,271	2.668
2014	127,961,100	4,495,846,500	-	21,500	1,079,794,800	934,318,300	385,687,000	7,023,629,200	2,602,700	6,974,696	7,028,001,196	9,161,779,685	2.733
2015	123,956,600	4,505,085,800	-	21,500	1,066,092,500	941,348,900	423,345,800	7,059,851,100	2,602,700	6,934,622	7,064,183,022	9,208,946,711	2.820

Source: Middlesex County Abstract of Ratables

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when ordered by the County Board of Taxation

a Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies

b Tax rates are per \$100

**EDISON BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-7

(rate per \$100 of assessed value)

<u>Fiscal Year Ended June 30</u>	<u>EDISON SCHOOL DISTRICT DIRECT RATE</u>			<u>OVERLAPPING RATE</u>		<u>Total Direct and Overlapping Tax Rate</u>
	<u>Basic Rate</u>	<u>General Obligation Debt Service</u>	<u>Total Direct School Tax Rate</u>	<u>Town of Edison</u>	<u>Middlesex County</u>	
2006*	2.159	0.012	2.171	0.906	0.513	3.590
2007*	2.220	0.011	2.231	0.948	0.541	3.720
2008*	2.279	0.010	2.289	1.054	0.602	3.945
2009*	2.375	0.008	2.383	1.102	0.643	4.128
2010*	2.483	0.007	2.490	1.102	0.647	4.239
2011*	2.608	0.017	2.625	1.114	0.722	4.461
2012*	2.620	0.048	2.668	1.128	0.733	4.529
2013*	2.625	0.043	2.668	1.126	0.687	4.481
2014*	2.695	0.038	2.733	1.205	0.788	4.726
2015*	2.787	0.033	2.820	1.235	0.809	4.864

Source: District Records and Middlesex County Abstract of Ratables

* Middlesex County - Includes County Open Space Recreation & Historic Preservation for years 2006 and subsequent.

NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation.

**EDISON BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS
CURRENT AND TEN YEARS AGO
UNAUDITED**

Exhibit J-8

Taxpayer	YEAR ENDED JUNE 30, 2015			YEAR ENDED JUNE 30, 2006		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
ISAAC HELLER	\$ 159,994,300	1	2.26%	\$ 226,660,800	1	3.10%
CENTER REALTY/FED. STORAGE WHSE.	151,773,800	2	2.15%	205,176,600	2	2.81%
SHOPPING CTR. ASSOC. (MENLO PK.)	144,909,800	3	2.05%	143,882,400	3	1.97%
GARDEN STATE BLDGS./RARITAN PLAZA	94,091,100	4	1.33%	129,298,900	4	1.77%
COOPER ASSOCIATES	59,362,200	5	0.84%	87,950,900	5	1.20%
DURHAM WOODS ASSOC.	55,000,000	6	0.78%	55,500,000	7	0.76%
NEW YORK TIMES CO.				84,952,700	6	1.16%
KTR EDISON,LLC	46,153,600	7	0.65%			
BLUEBERRY VILLAGE/EDISON VILLAGE	44,164,000	8	0.63%	44,327,000	8	0.61%
PROLOGIS/SECURITY CAPITAL TRUST	41,513,200	9	0.59%	37,844,500	10	0.52%
EDISON CENTER ASSOC.	36,744,800	10	0.52%	32,354,300	13	0.44%
HARTZ MOUNTAIN	33,991,500	11	0.48%	39,128,000	9	0.54%
PSE&G	30,126,900	12	0.43%	36,370,000	11	0.50%
NJIND, LLC	30,090,100	13	0.43%			
RIVENDELL	29,228,400	14	0.41%	29,109,000	14	0.40%
MILBROOK GARDENS	28,549,000	15	0.40%	28,549,000	15	0.39%
TORSIELLO ASSOC.	25,018,100	16	0.35%			
SECURITY CAPITAL INDUSTRIAL TRUST				26,371,100	16	0.36%
MARGATE TENNANTS CORP.	23,730,200	17	0.34%	32,864,000	12	0.45%
STARWOOD HELLER				26,334,500	17	0.36%
OXFORD ARMS	19,250,000	18	0.27%			
EDISON WOODS	19,140,000	19	0.27%	25,926,800	18	0.36%
EDISON 27 HIGHWAY, LLC				24,500,000	19	0.34%
HILLTOP ASSOC	18,494,300	20	0.26%			
145 TALMADGE RD., LLC				22,800,000	20	0.31%
TOTAL	\$ 1,091,325,300		15.45%	\$ 1,339,900,500		18.35%

**EDISON BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS,
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-9

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2005	\$ 146,299,284	\$ 146,299,284	100.00%	-
2006	158,446,245	158,446,245	100.00%	-
2007	160,699,428	160,699,428	100.00%	-
2008	164,126,854	164,126,854	100.00%	-
2009	170,708,944	170,708,944	100.00%	-
2010	177,369,377	177,369,377	100.00%	-
2011	185,081,031	185,081,031	100.00%	-
2012	188,291,721	188,291,721	100.00%	-
2013	188,235,708	188,235,708	100.00%	-
2014	190,191,009	190,191,009	100.00%	-
2015	193,997,198	192,094,103	99.02%	1,903,095

Source: District records including the Certificate and Report of School Taxes (A4F)

^a School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

Debt Capacity

**EDISON BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-10

Fiscal Year Ended June 30,	Governmental Activities					Business-Type Activities		Total District	Percentage of Personal Income	Per Capita
	Type I General Obligation Bonds	Type II General Obligation Bonds	Certificates of Participation	Lease Purchase Agreements	Capital Leases *	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 5,495,000	\$ 13,932,000		\$ 7,057,977	\$ 2,461,186			\$ 28,946,163	0.658%	646
2007	4,395,000	13,157,000		7,495,000	2,283,246			27,330,246	0.584%	577
2008	3,295,000	12,372,000		6,845,000	1,705,311			24,217,311	0.498%	494
2009	2,195,000	11,567,000		6,170,000	929,935			20,861,935	0.443%	442
2010	1,095,000	10,747,000		10,600,048	318,880			22,760,928	0.478%	478
2011		9,820,000		9,335,000	298,205			19,453,205	0.385%	387
2012		8,970,000		7,497,000	233,048			16,700,048	0.319%	323
2013		8,100,000		10,806,000	154,843			19,060,843	0.359%	365
2014		7,230,000		9,036,000	366,531			16,632,531	NA	NA
2015		6,320,000		7,195,000	586,927			14,101,927	NA	NA

Source: District CAFR Schedules I-1

* Includes Principal and interest requirements

Note: Details regarding the district's outstanding debt can be found in the notes to the financial statements.

**EDISON BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-11

GENERAL BONDED DEBT OUTSTANDING

Fiscal Year Ended June 30,	Type I General Obligation Bonds	Type II General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
2006	\$ 5,495,000	\$ 13,932,000	\$ -	\$ 19,427,000	#VALUE!	434
2007	4,395,000	13,157,000	-	17,552,000	0.24%	370
2008	3,295,000	12,372,000	-	15,667,000	0.21%	320
2009	2,195,000	11,567,000	-	13,762,000	0.19%	291
2010	1,095,000	10,747,000	-	11,842,000	0.16%	249
2011		9,820,000	-	9,820,000	0.14%	195
2012		8,970,000	-	8,970,000	0.13%	173
2013		8,100,000	-	8,100,000	0.12%	155
2014		7,255,000	-	7,255,000	0.10%	N/A
2015		6,320,000	-	6,320,000	0.09%	N/A

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Source: Township of Edison Tax Assessor
District Records

a See Exhibit J-6 for Property Tax Data

b See Exhibit J-14 for Population Data

**EDISON BOARD OF EDUCATION
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2015
UNAUDITED**

Exhibit J-12

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Edison	95,621,462	100.00%	95,621,462
Other Debt			
County of Middlesex - Statutory Debt Township's Share	578,120,091	14.9843%	<u>86,627,249</u>
			<u>86,627,249</u>
Subtotal Overlapping Debt			182,248,711
Net Direct Debt of School District			
Edison Township School District General Bond			6,320,000
Edison Township School District Lease Purchase			7,195,000
Edison Township School District Capital Lease			<u>586,927</u>
			<u>14,101,927</u>
Total Direct and Overlapping Debt			<u>\$ 196,350,638</u>

Sources: 2014 Annual Debt Statement of Township of Edison, Edison Township Finance Office, 2014 Annual Debt Statement of the County of Middlesex.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and the businesses of Edison. This process recognizes that when considering the District's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**EDISON BOARD OF EDUCATION
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-13

Legal Debt Margin Calculation for Fiscal Year 2014

	Equalized Valuation Basis
2012	\$ 14,066,832,335
2013	14,026,512,342
2014	<u>14,569,467,732</u>
[A]	<u>\$ 42,662,812,409</u>
Avg Equalized Valuation of Taxable Property	[A/3] \$ 14,220,937,470
School Borrowing Margin (4%)	[B] 568,837,499
Net Bonded School Debt	[C] <u>6,320,000</u>
Legal Debt Margin	[B-C] <u>\$ 562,517,499</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 448,453,905	\$ 498,173,394	\$ 555,497,840	\$ 602,963,416	\$ 634,040,943	\$ 638,649,124	\$ 622,336,277	\$ 595,132,099	\$ 572,536,174	\$ 568,837,499
Total Net Debt Applicable to Limit	<u>23,451,163</u>	<u>21,443,000</u>	<u>22,512,000</u>	<u>19,932,000</u>	<u>21,665,928</u>	<u>19,453,205</u>	<u>16,700,048</u>	<u>8,100,000</u>	<u>7,230,000</u>	<u>6,320,000</u>
Legal Debt Margin	<u>\$ 425,002,742</u>	<u>\$ 476,730,394</u>	<u>\$ 532,985,840</u>	<u>\$ 583,031,416</u>	<u>\$ 612,375,015</u>	<u>\$ 619,195,919</u>	<u>\$ 605,636,229</u>	<u>\$ 587,032,099</u>	<u>\$ 565,306,174</u>	<u>\$ 562,517,499</u>
Total Net Debt Applicable To The Limit As A Percentage Of Debt Limit	5.23%	4.30%	4.05%	3.31%	3.42%	3.05%	2.68%	1.36%	1.26%	1.11%

Source: 2014 Annual Debt Statement of the Township of Edison

Demographic and Economic Information

**EDISON BOARD OF EDUCATION
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN FISCAL YEARS
 UNAUDITED**

Exhibit J-14

<u>Year</u>	<u>Population ^a</u>	<u>Personal Income ^b</u>	<u>Per Capita Personal Income ^c</u>	<u>Unemployment Rate ^d</u>
2005	99,048	4,132,777,800	41,725 ^R	3.50%
2006	98,137	4,397,126,422	44,806 ^R	3.60%
2007	98,756	4,679,651,816	47,386 ^R	3.10%
2008	99,220	4,862,474,540	49,007 ^R	4.10%
2009	99,736	4,711,029,960	47,235 ^R	7.30%
2010	100,058 ^R	4,762,560,684	47,598 ^R	7.30%
2011	100,419 ^R	5,047,761,873	50,267 ^R	7.00%
2012	101,106 ^R	5,230,213,380	51,730 ^R	7.00%
2013	101,671 ^R	5,316,478,261	52,291	6.10%
2014	101,970	N/A	N/A	5.00%

Source:

^a Population information provided by US Bureau of Census, Population Division - Estimates

^b Personal income has been estimated based upon the municipal population and the personal income presented

^c Per Capita Data represents County of Middlesex available through 2013

^d Unemployment data provided by the NJ Dept of Labor and Workforce Development

^R Revised

**EDISON BOARD OF EDUCATION
PRINCIPAL EMPLOYERS
CURRENT AND SEVEN YEARS AGO
UNAUDITED**

Exhibit J-15

<u>Employer</u>	<u>2014</u>			<u>2006</u>		
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Percentage of Total Employment</u>
MIDDLESEX COUNTY COLLEGE	N/A	1	N/A	1,500	1	2.81%
NY TIMES	N/A	2	N/A	1,000	2	1.87%
JFK MEDICAL CENTER	N/A	3	N/A	650	3	1.22%
DR. LEONARD'S HEALTHCARE	N/A	4	N/A	600	4	1.12%
WAKEFERN	N/A	5	N/A	400	5	0.75%
K. HOVANIAN HOMES	N/A	6	N/A	300	6	0.56%
ITC	N/A	7	N/A	300	7	0.56%
VICTORIA CLASSICS	N/A	8	N/A	240	8	0.45%
EDISON POST OFFICE	N/A	9	N/A	240	9	0.45%
AUTOMATIC DISTRIBUTION SYSTEM	N/A	10	N/A	225	10	0.42%
CARDINAL HEALTH	N/A	11	N/A	216	11	0.40%
AMPER, POLITZINER & MATTIA	N/A	12	N/A	200	12	0.37%
YMCA	N/A	13	N/A	200	13	0.37%
EDISON JOB CORPS ACADEMY	N/A	14	N/A	180	14	0.34%
HORIBA JOBIN YVON, INC	N/A	15	N/A	175	15	0.33%
FRANCO MANUFACTURING	N/A	16	N/A	135	16	0.25%
CLARION HOTEL & TOWERS	N/A	17	N/A	130	17	0.24%
EXXON MOBIL	N/A	18	N/A	123	18	0.23%
SHERATON EDISON	N/A	19	N/A	112	19	0.21%
BOSELL EDISON	N/A	20	N/A	102	20	0.19%
	<u>-</u>		<u>-</u>	<u>7,028</u>		<u>13.18%</u>

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Source: Township of Edison Chamber of Commerce

Historical Data Not Available

Operating Information

**EDISON BOARD OF EDUCATION
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 UNAUDITED**

Exhibit J-16

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Function/Program										
Instruction										
Teachers	899	917	902	927	931	854	880	888	890	918
Special Education	194	204	211	223	231	218	224	224	225	214
Other Special Education	23	25	26	28	28	28	28	28	28	27
Classroom Aides	141	140	127	138	137	137	138	138	138	147
Vocational	-	-	-	-	-	-	-	-	-	-
Other Instruction	18	17	19	19	19	18	14	14	14	11
Nonpublic School Programs	-	-	-	-	-	-	-	-	-	-
Adult/Continuing Education Programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition										
Student & Instruction Related Services	165	170	175	178	178	160	163	166	167	167
General Administrative Services	13	13	14	14	14	13	12	10	10	10
School Administrative Services	83	84	84	84	85	79	80	80	80	83
Other Administrative Services	16	16	15	15	15	16	16	18	17	17
Admin Info Technology Services	3	1	1	3	5	5	9	10	11	12
Plant Operations and Maintenance	137	139	140	141	141	136	139	138	143	140
Pupil Transportation	31	31	39	39	42	43	43	43	44	52
Other Support Services	2	2	2	2	2	2	2	2	2	2
Total	1,725	1,759	1,755	1,811	1,828	1,709	1,748	1,759	1,769	1,800

Source: District Personnel Records

**EDISON BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-17

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	High School				
2005-06	13,931	174,411,718	12,520	5.30%	1,182	23:1	25:1	24:1	13,979	13,424	3.14%	96.03%
2006-07	14,123	188,977,174	13,381	7.95%	1,163	23:1	25:1	24:1	14,471	13,933	3.52%	96.28%
2007-08	14,162	197,007,549	13,911	11.11%	1,158	24:1	25:1	25:1	14,184	13,617	-1.98%	96.00%
2008-09	14,171	199,243,565	14,060	5.08%	1,197	23:1	24:1	25:1	14,130	13,578	-0.38%	96.09%
2009-10	14,382	203,340,721	14,139	1.64%	1,209	24:1	24:1	25:1	14,181	13,627	0.36%	96.09%
2010-11	14,332	209,293,320	14,603	3.86%	1,118	25:1	26:1	26:1	14,194	13,641	0.09%	96.10%
2011-12	14,496	217,863,366	15,029	6.30%	1,146	24:1	25:1	26:1	14,217	13,755	0.16%	96.75%
2012-13	14,475	226,760,365	15,666	7.28%	1,154	24:1	26:1	26:1	14,367	13,844	1.06%	96.36%
2013-14	14,878	226,252,392	15,207	1.18%	1,157	25:1	26:1	26:1	14,497	13,984	0.90%	96.46%
2014-15	15,168	258,266,112	17,027	8.69%	1,170	25:1	26:1	26:1	14,697	14,162	1.38%	96.36%

Sources: District Records

Note: Enrollment based on annual October district count.

a Operating expenditures equal total expenditures less debt service and capital outlay

b Teaching staff includes only full-time equivalents of certificated staff.

c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

**EDISON BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-18

BUILDING	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
ELEMENTARY										
Benjamin Franklin (1960, 1965, 1990, 2003)										
Square Feet	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696	52,696
Capacity (Students)	580	580	580	580	580	580	580	580	580	580
Enrollment	544	528	507	579	590	579	556	598	609	609
Early Learning Center (2004)										
Square Feet	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297	7,297
Capacity (Students)	100	100	100	100	100	100	100	100	100	100
Enrollment	91	92	93	90	91	90	93	91	75	75
Franklin D. Roosevelt (1968)										
Square Feet	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712	17,712
Capacity (Students)	150	150	150	150	150	150	150	150	150	150
Enrollment	108	111	104	108	105	103	101	103	114	114
James Madison Intermediate (1959, 1968)										
Square Feet	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768	42,768
Capacity (Students)	540	540	540	540	540	540	540	540	540	540
Enrollment	516	529	478	555	550	560	602	605	643	643
James Madison Primary (1971, 1998, 2003)										
Square Feet	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294	46,294
Capacity (Students)	600	600	600	600	600	600	600	600	600	600
Enrollment	626	714	510	681	702	654	601	522	516	516
James Monroe (1962, 1973, 2003, 2004)										
Square Feet	41,100	41,100	41,100	41,100	41,100	41,100	41,100	41,100	41,100	41,100
Capacity (Students)	400	400	400	400	400	400	400	400	400	400
Enrollment	356	352	383	421	439	420	446	468	481	481
John Marshall (1961, 1990, 2003, 2007)										
Square Feet	42,632	42,632	62,617	62,617	62,617	62,617	62,617	62,617	62,617	62,617
Capacity (Students)	520	520	690	690	690	690	690	690	690	690
Enrollment	470	451	461	522	572	592	604	602	577	577
Lincoln (1951, 1956, 1962, 1972, 2003)										
Square Feet	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315	55,315
Capacity (Students)	680	680	680	680	680	680	680	680	680	680
Enrollment	720	693	659	674	713	700	696	701	720	720
Lindeneau (1966, 1968, 2000, 2003, 2004)										
Square Feet	57,204	57,204	43,219	43,219	43,219	43,219	43,219	43,219	43,219	43,219
Capacity (Students)	560	560	450	450	450	450	450	450	450	450
Enrollment	560	562	480	506	487	465	453	447	446	446
Martin Luther King (1970, 1991, 2000)										
Square Feet	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136	54,136
Capacity (Students)	620	620	620	620	620	620	620	620	620	620
Enrollment	572	572	535	565	603	578	563	586	609	609
Menlo Park (1962, 1965, 1991, 2003)										
Square Feet	54,601	54,601	54,601	54,601	54,601	54,601	54,601	54,601	54,601	54,601
Capacity (Students)	720	720	720	720	720	720	720	720	720	720
Enrollment	761	759	732	771	802	815	791	800	832	832

**EDISON BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-18

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Washington (1952, 1958, 1972, 2003)										
Square Feet	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410	56,410
Capacity (Students)	680	680	680	680	680	680	680	680	680	680
Enrollment	536	615	467	608	612	547	562	574	566	566
Woodbrook (1965, 1969, 2000, 2003)										
Square Feet	57,204	57,204	57,204	57,204	57,204	57,204	57,204	57,204	57,204	57,204
Capacity (Students)	700	700	700	700	700	700	700	700	700	700
Enrollment	757	765	750	770	852	861	880	915	921	921

**BUILDING
MIDDLE SCHOOLS**

Herbert Hoover (1967, 2000, 2007)										
Square Feet	125,325	125,325	132,625	132,625	132,625	132,625	132,625	132,625	132,625	132,625
Capacity (Students)	940	940	980	980	980	980	980	980	980	980
Enrollment	846	830	748	834	813	830	814	824	834	834
John Adams (1960, 2003)										
Square Feet	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740	95,740
Capacity (Students)	920	920	920	920	920	920	920	920	920	920
Enrollment	804	813	717	765	732	769	803	843	833	833
Thomas Jefferson (1959, 1968, 2003)										
Square Feet	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366	80,366
Capacity (Students)	770	770	770	770	770	770	770	770	770	770
Enrollment	776	786	676	734	718	780	718	730	692	692
Woodrow Wilson (1973, 2000)										
Square Feet	102,781	102,781	102,781	102,781	102,781	102,781	102,781	102,781	102,781	102,781
Capacity (Students)	900	900	900	900	900	900	900	900	900	900
Enrollment	789	802	724	828	861	843	898	922	977	977

**BUILDING
HIGH SCHOOL**

Edison (1954, 1962, 1986, 2000)										
Square Feet	233,811	233,811	233,811	233,811	233,811	233,811	233,811	233,811	250,291	250,291
Capacity (Students)	1,884	1,884	1,884	1,884	1,884	1,884	1,884	1,884	2,024	2,024
Enrollment	1,999	1,981	1,726	1,936	1,980	1,951	1,980	1,960	1,924	1,924
J.P. Stevens (1962, 1967, 1979, 1990, 2000, 2003, 2010)										
Square Feet	205,597	205,597	205,597	205,597	205,597	219,582	219,582	219,582	220,287	220,287
Capacity (Students)	2,000	2,000	2,000	2,000	2,000	2,160	2,160	2,160	2,160	2,160
Enrollment	2,136	2,135	2,001	2,124	2,134	2,246	2,160	2,151	2,111	2,111

OTHER

Education Center (1962)										
Square Feet	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Capacity (Students)							-	-	-	-
Enrollment										
Grounds (1999)										
Square Feet	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000	12,000
Capacity (Students)							-	-	-	-
Enrollment										

SOURCE: DISTRICT RECORDS

NOTE: YEAR OF ORIGINAL CONSTRUCTION IS SHOWN IN PARENTHESES FOLLOWING THE NAME OF THE BUILDING. DATES, IF ANY FOR A SUBSEQUENT ADDITION ALSO FOLLOWS IN PARENTHESES.

Number of Schools at June 30, 2015
Elementary = 13
Middle = 4
High School = 2
Other = 2

**EDISON BOARD OF EDUCATION
GENERAL FUND
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED**

Exhibit J-19

**UNDISTRIBUTED EXPENDITURES - REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
11-000-261-XXX**

School Facilities	School Number	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Lincoln Elementary	100	\$ 98,251	\$ 134,372	\$ 239,142	\$ 114,440	\$ 107,657	\$ 125,361	\$ 116,132	\$ 157,561	\$ 150,060	\$ 115,622
Washington Elementary	150	101,793	132,558	125,934	121,810	96,948	123,304	173,831	127,701	179,475	122,574
Madison Intermediate	090	192,190	102,501	84,049	92,900	63,423	97,614	112,682	174,587	168,745	97,730
Ben Franklin Elementary	065	132,406	145,435	167,569	108,606	99,031	86,870	96,364	127,607	107,822	100,981
Marshall Elementary	095	165,704	130,178	146,644	132,730	109,290	123,911	206,843	179,257	149,538	74,784
Menlo Park Elementary	105	106,952	127,875	153,343	92,290	88,066	95,642	126,256	102,108	106,311	113,698
Monroe Elementary	093	231,178	114,622	106,875	93,213	67,042	82,343	84,996	73,850	82,497	80,096
Lindeneau Elementary	103	109,552	104,083	112,568	78,197	94,529	158,292	121,372	105,024	107,713	87,782
Woodbrook Elementary	160	117,833	206,588	139,952	125,039	102,995	130,452	116,182	113,119	103,520	121,692
M.L. King Elementary	104	139,503	106,855	123,710	110,514	84,693	105,887	116,536	99,563	104,784	95,660
Madison Primary	092	115,237	94,892	97,589	90,736	83,874	127,671	144,650	125,491	121,849	128,897
Herbert Hoover Middle	057	268,896	240,650	225,318	235,288	216,820	197,425	261,024	245,712	220,592	234,639
John Adams Middle	055	225,450	196,399	230,335	212,566	164,051	182,546	197,128	182,895	188,385	191,056
Thomas Jefferson Middle	060	309,931	221,590	230,650	195,086	168,245	125,756	182,048	159,065	279,049	154,723
Woodrow Wilson Middle	063	252,734	229,233	219,479	257,180	253,518	215,810	225,244	174,284	196,276	188,030
Edison High	050	1,001,872	650,316	506,930	560,328	456,256	503,595	542,267	486,652	480,009	551,404
J.P. Stevens High	053	579,724	644,393	580,603	570,742	471,922	434,746	668,293	544,094	524,857	469,162
Early Learning Center	300	23,135	20,490	16,866	-	-	-	-	-	-	-
F.D. Roosevelt	302	24,630	25,860	30,140	-	-	-	-	-	-	-
GRAND TOTAL		\$ 4,196,971	\$ 3,628,890	\$ 3,537,696	\$ 3,191,665	\$ 2,728,360	\$ 2,917,225	\$ 3,491,848	\$ 3,178,570	\$ 3,271,482	\$ 2,928,530

SOURCE: DISTRICT RECORDS

**EDISON BOARD OF EDUCATION
INSURANCE SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED**

Exhibit J-20

<u>DESCRIPTION</u>	<u>COVERAGE</u>	<u>DEDUCTIBLE</u>
School Package Policy - NJSBAIG		
Buildings & Contents	\$288,338,428.00	\$5,000.00
Extra Expense - Blanket	50,000,000.00	
General Liability (Occurrence)	6,000,000.00	
Product Liability (Aggregate)	6,000,000.00	
Personal Injury	6,000,000.00	
Valuable Papers Blanket	10,000,000.00	
Contractors Equipment	included	
Software	2,000,000.00	
Money & Securities	10,000.00	500.00
Public Employees Dishonesty	250,000.00	1,000.00
Employee Benefits Li: (per incident)	6,000,000.00	1,000.00
(per aggregate)	6,000,000.00	
Bonds - NJSBAIG		
BA/Secretary	200,000.00	1,000.00
Treasurer of School Monies	800,000.00	1,000.00
Assistant Board Administrator	200,000.00	1,000.00
Automobile Liability - NJSBAIG	6,000,000.00	
Medical Payments Private Passenger Vehicles	10,000.00	
Medical Payments Commercial Vehicles	5,000.00	
Uninsured Motorist	6,000,000.00	
Comprehensive & Collision		1,000.00
Educator's Legal Liability - NJSBAIG	6,000,000.00	10,000.00
Umbrella Liability - NJSBAIG	10,000,000.00	
Workers Compensation - NJSBAIG	2,000,000.00	
Workers Compensation Supplemental - NJSBAIG	included	
Boiler & Machinery - NJSBAIG	100,000,000.00	5,000.00
Extra Expense	10,000,000.00	
Mutual of Omaha		
High School Football	5,000,000.00	
Catastrophic Student Accident	1,000,000.00	
Pollution		
Lexington Insurance Company	1,000,000.00	25,000.00

SINGLE AUDIT SECTION

SECTION – K

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
The Township of Edison School District
County of Middlesex
Edison, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Governmental Auditing Standards issued by the Comptroller General of the United States and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Edison Board of Education in the County of Middlesex, State of New Jersey, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Edison Board of Education's basic financial statements and have issued our report thereon dated December 4, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Edison Board of Education's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Edison Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Edison Board of Education's internal control

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses deficiencies or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Edison Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

We noted other matters involving internal control and internal control over financial reporting that we reported to the Board of Education in a separate report entitled, Auditors Management Report on Administrative Findings dated December 4, 2015.

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Highland Park, New Jersey
December 4, 2015

HODULIK & MORRISON, P.A.
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JO ANN BOOS, CPA , PSA

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM; REPORT
ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE SCHEDULE OF
EXPENDITURES OF FEDERAL AND STATE FINANCIAL ASSISTANCE
REQUIRED BY OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Township of Edison School District
County of Middlesex
Edison, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Edison Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey Compliance Manual State Grant Compliance Supplement that could have a direct and material effect on each of the Edison Board of Education's major federal and state programs for the year ended June 30, 2015. The Edison Board of Education's major federal and state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to it federal and state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Edison Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; audit requirements as prescribed by OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, Single Audit Policy for Recipients of Federal Grants and State Aid. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Edison Board of Education's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion for each major federal and state program. However, our audit does not provide a legal determination on the Edison Board of Education's compliance.

Opinion on each Major Federal and State Program

In our opinion, the Edison Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Edison Board of Education is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered the Edison Board of Education's internal control over compliance with the requirements that could have a direct and material effect on a major federal and state programs to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Edison Board of Education's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weakness, as defined above.

Purpose of Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 and New Jersey OMB 04-04. Accordingly, this report is not suitable for any other purpose.

Hodulik & Morrison, P.A.

HODULIK & MORRISON, P.A.
Certified Public Accountants
Public School Accountants

Highland Park, New Jersey
December 4, 2015

Edison Township Board of Education
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended June 30, 2015

Program Title	Federal CFDA Number	Grant or State Project Number	Program or Award Amount	Grant Period		Def. Revenue/ (Accounts Rec.) at June 30, 2014	Carryover Amount	Due To Grantor June 30, 2014	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2015		
				From	To								Accounts Receivable	Deferred Revenue	Due to Grantor
Enterprise Fund															
U.S. Department of Agriculture - Cluster															
Passed-through State Department of Education:															
Food Distribution Program - Non-Cash Award/Program	10.555	N/A	\$ 365,693.95	7/1/14	6/30/15	\$ -	\$ 37,865.92	\$ -	\$ 349,956.73	\$ (334,219.51)	\$ -	\$ -	\$ -	\$ 53,603.14	\$ -
National School Lunch Program	10.555	N/A	1,222,140.42	7/1/14	6/30/15	(77,396.92)			1,286,427.92	(1,291,378.50)			(82,347.50)		
National School Breakfast Program	10.553	N/A	508,205.76	7/1/14	6/30/15	(40,491.59)			567,861.28	(567,066.77)			(39,697.08)		
National After School Snack Program	10.555	N/A	8,322.79	7/1/14	6/30/15	(538.79)			538.79				(0.00)		
Total Enterprise Fund						(118,427.30)	37,865.92	-	2,204,784.72	(2,192,664.78)	-	-	(122,044.58)	53,603.14	-
General Fund															
U.S. Dept. of Health and Human Services/U.S. Dept of Education															
Passed-through State Department of Education:															
Special Education Medicaid Initiative	93.778	N/A	311,536.73	7/1/14	6/30/15				311,536.73	(311,536.73)					
Special Education Medicaid Initiative-ARRA	93.778	N/A	17,563.44	7/1/14	6/30/15				17,563.44	(17,563.44)					
MAC/Random Moment in Time	93.778	N/A	47,451.57	7/1/14	6/30/15				79,542.45	(79,542.45)					
U.S. Department of Homeland Security - FEMA															
Passed-through NJ Depart. of Law and Public Safety:															
Disaster Grants - Public Assistance - Hurricane Sandy	97.036	N/A		1/1/14	12/31/15	(19,743.40)							(19,743.40)		
Total General Fund						(19,743.40)	-	408,642.62	(408,642.62)	-	-	(19,743.40)	-	-	-
Special Revenue Fund															
U.S. Department of Education															
Passed-through State Department of Education:															
Title I	84.010	NCLB_15	1,075,762.00	7/1/14	6/30/15	(100,655.38)			1,334,670.00	(1,193,711.70)	226.59		0.00	40,529.51	
Title III Language Instruct	84.365	NCLB_15	90,363.00	7/1/14	6/30/15	(16,496.03)			114,472.00	(63,502.62)	2,313.68		-	36,787.03	
Title II, Part A - Teacher/Principal Training	84.367	NCLB_15	345,721.35	7/1/14	6/30/15	(12,457.21)			373,373.00	(315,593.48)	900.00		0.00	46,222.31	
Title II, Part D Educ./Technology	84.318	NCLB_13		7/1/12	6/30/13	(5,103.00)							(5,103.00)		
Title IV, Part A - Drug Free Schools	84.186A	NCLB_13		7/1/12	6/30/13	(7,068.00)							(7,068.00)		
I.D.E.A. - Cluster															
I.D.E.A. Part B, Basic Regular	84.027	IDEA_15	3,617,297.95	7/1/14	6/30/15	(1,620,884.18)			4,262,859.00	(3,271,885.76)			(629,910.94)		
Improving Achievement-IDEA	84.027A	IDEA_14		7/1/14	6/30/15	(20,625.79)			20,626.00				(0.00)	0.21	
I.D.E.A. Part B, Preschool	84.173	IDEA_15	104,353.00	7/1/14	6/30/15	(53,636.80)			154,183.00	(104,353.00)			(3,806.80)		
Race to the Top	84.413A	N/A	74,416.00	7/1/14	6/30/15	2,600.00							-	2,600.00	
EE4NJ	84.413	N/A	43,700.00	7/1/14	6/30/15	-							-		
Total Special Revenue Fund						(1,834,326.39)	-	6,260,183.00	(4,949,046.56)	3,440.27	-	(645,888.74)	126,139.06	-	-
Total Federal Financial Awards						\$ (1,972,497.09)	\$ 37,865.92	\$ -	\$ 8,873,610.34	\$ (7,550,353.96)	\$ 3,440.27	\$ -	\$ (787,676.72)	\$ 179,742.20	\$ -

Footnote(s):

N/A - Not Available

Note: See Accompanying Notes to Schedules of Expenditures of Awards/Financial Assistance

Edison Township Board of Education
Schedule of Expenditures of State Financial Assistance
For The Fiscal Year Ended June 30, 2015

Program Title	Grant or State Project Number	Balance at June 30, 2014						Balance at June 30, 2015						MEMO	Cumulative Total Expenditures
		Program or Award Amount	Grant Period From To	Deferred Revenue (Accts Receivable)	Due to Grantor	MEMO Budgetary Receivable	Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Deferred Revenue (Accounts Receivable)	Revenue/ Interfund Payable		
State Dept of Education															
General Fund															
Categorical Transportation Aid	15-495-034-5120-014	\$ 829,736.00	7/1/14 6/30/15	\$ (77,708.35)			\$ 843,957.32	\$ (829,736.00)							
Categorical Special Education Aid	15-495-034-5120-011	8,667,867.00	7/1/14 6/30/15	(811,783.06)			8,592,620.06	(8,667,867.00)			(63,487.03)			\$ (63,487.03)	\$ 829,736.00
Equalization Aid	15-495-034-5120-078	3,675,883.00	7/1/14 6/30/15	(344,262.27)			3,657,674.24	(3,675,883.00)			(887,030.00)			(887,030.00)	8,667,867.00
Categorical Security Aid	15-495-034-5120-084	323,459.00	7/1/14 6/30/15	(30,293.33)			341,597.31	(323,459.00)			(362,471.03)			(362,471.03)	3,675,883.00
PARCC Readiness Aid	15-495-034-5120-097	142,270.00	7/1/14 6/30/15				149,673.00	(149,673.00)			(12,155.02)			(12,155.02)	323,459.00
Per Pupil Growth Aid	15-495-034-5120-098	142,270.00	7/1/14 6/30/15				149,673.00	(149,673.00)			-			-	149,673.00
Non-Public Transportation Aid	15-100-034-5120-068	145,966.00	7/1/14 6/30/15	(125,496.50)			149,673.00	(105,015.00)			-			-	149,673.00
Homeless Children Aid	N/A	1,428,839.00	7/1/14 6/30/15	-			1,428,839.00	(1,428,839.00)			(105,015.00)			(105,015.00)	105,015.00
Extraordinary Aid 2013-2014	14-100-034-5120-473	2,218,629.00	7/1/13 6/30/14	(500,000.00)			500,000.00	-			-			-	1,428,839.00
Extraordinary Aid 2013-2014	15-100-034-5120-473	500,119.00	7/1/14 6/30/15	-			-	(1,741,795.00)			-			-	-
Extraordinary Aid 2014-2015	15-100-034-5120-473	500,119.00	7/1/14 6/30/15	-			-	(500,119.00)			-			(1,741,795.00)	1,741,795.00
On-behalf T.P.A.F. Non-Contrib. Insurance	15-495-034-5095-007	4,440,535.00	7/1/14 6/30/15	-			5,705,028.00	(5,705,028.00)			(500,119.00)			(500,119.00)	500,119.00
On-behalf Post-Retirement Medical	15-495-034-5095-001	7,280,806.00	7/1/14 6/30/15	-			9,056,735.00	(9,056,735.00)			-			-	5,705,028.00
T.P.A.F. Social Security Aid	15-495-034-5095-002	7,833,806.00	7/1/14 6/30/15	(388,996.09)			7,845,371.86	(7,845,083.45)			(388,707.68)			(388,707.68)	9,056,735.00
Total General Fund				(2,278,539.60)			38,271,168.79	(40,178,905.45)			(1,818,865.76)			(3,567,057.08)	40,178,905.45
Debt Service Fund															
Debt Service Aid	15-495-034-5120-075	254,852.00	7/1/14 6/30/15	-			254,852.00	(254,852.00)			-			-	254,852.00
Total Debt Service Fund				-			254,852.00	(254,852.00)			-			-	254,852.00
Special Revenue Fund															
N.J. Nonpublic Aid:															
Textbook Aid	15-100-034-5120-064	140,074.00	7/1/14 6/30/15		4,514.00		144,721.00	(128,597.00)	2,897.22	(4,514.00)		(7,544.22)	11,477.00		128,597.00
Auxiliary Services:															
Compensatory Education	15-100-034-5120-067	204,242.00	7/1/14 6/30/15		14,551.00		204,242.00	(169,621.00)		(14,551.00)			34,621.00		169,621.00
English as a Second Language	15-100-034-5120-067	13,703.00	7/1/14 6/30/15		6,984.00		13,703.00	(10,962.00)		(6,984.00)			2,741.00		10,962.00
Transportation	15-100-034-5120-067	40,951.00	7/1/14 6/30/15		-		40,951.00	(40,951.00)					-		40,951.00
Handicapped Services:															
Examination & Classification	15-100-034-5120-066	94,570.00	7/1/14 6/30/15		18,964.00		94,570.00	(90,607.00)		(18,964.00)			3,963.00		90,607.00
Corrective Speech	15-100-034-5120-066	55,573.00	7/1/14 6/30/15		7,812.00		55,573.00	(55,573.00)		(7,812.00)			-		55,573.00
Supplemental Instruction	15-100-034-5120-066	67,484.00	7/1/14 6/30/15		15,959.00		67,484.00	(58,853.00)		(15,959.00)			8,631.00		58,853.00
Home Instruction	15-100-034-5120-067	5,202.00	7/1/14 6/30/15	(2,280.27)			2,280.00	(7,551.96)			(7,552.23)				7,551.96
Nursing Services	15-100-034-5120-070	222,993.00	7/1/14 6/30/15		5,894.00		222,993.00	(214,571.00)		(5,894.00)			8,422.00		214,571.00
Technology	15-100-034-5120-373	75,232.00	7/1/14 6/30/15		391.00		77,728.00	(70,279.00)	(2,496.00)	(391.00)		(11,176.87)	8,422.00		70,279.00
FHA/Hero Grant	N/A	146,500.00	9/1/14 8/31/15	(50,917.50)			164,063.80	(133,241.96)			(20,095.66)		4,953.00		133,241.96
Anti Bullying	15-495-034-5095-002		7/1/14 6/30/15	883.05				(883.05)					-		883.05
Total Special Revenue Fund				(52,314.72)	75,069.00		1,088,308.80	(981,690.97)	401.22	(75,069.00)	(27,647.89)	(20,838.57)	74,808.00		981,690.97
Enterprise Fund															
National School Lunch Program	15-100-010-3350-023		7/1/14 6/30/15	(5,055.32)			43,964.15	(42,836.50)			(3,927.67)				42,836.50
Total Enterprise Fund				(5,055.32)			43,964.15	(42,836.50)			(3,927.67)				42,836.50
Capital Projects Fund															
Educational Facilities Construction and Financing Act Section 15 Grant	1290-XXXX-09-XXXX	14,155.00	Indefinite	(14,155.00)							(14,155.00)				-
Total Capital Projects Fund				(14,155.00)							(14,155.00)				-
Total State Financial Assistance				\$ (2,350,064.64)	\$ 75,069.00	\$ -	\$ 39,658,293.74	\$ (41,458,284.92)	\$ 401.22	\$ (75,069.00)	\$ (1,864,596.32)	\$ (20,838.57)	\$ 74,808.00	\$ (3,567,057.08)	\$ 41,458,284.92

Footnote(s):

N/A - Not Available

Note: See Accompanying Notes to Schedules of Expenditures of Awards /Financial Assistance.

Pursuant to the directive of the New Jersey State Department of Education, on-behalf payments for T.P.A.F. Pensions, Post-Retirement Medical and Non-Contributory Insurance are excluded from the scope of the State Single Audit and are not considered when determining Type A or Major Programs under NJOMB Circular 04-04.

EDISON SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES
OF AWARDS AND FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education, Edison School District. The Board of Education is defined in Note 1(A) to the Board's basic financial statements (GASB 34 Model – basic financial statements). All federal and state awards received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of awards and financial assistance are presented on the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes 1(C) and 1(D) to the Board's basic financial statements (GASB 34 – Model - basic financial statements). The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A: 22-44.2. For GAAP purposes, that payment is not recognized until the subsequent budget year due to the state deferral and recording of the last state aid payment in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP does not. The special revenue fund also recognizes the last state aid payment in the current budget year, consist with N.J.S.A. 18A: 22-4.2.

See Note 1(D) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented on the following page:

EDISON SCHOOL DISTRICT
 NOTES TO THE SCHEDULES OF EXPENDITURES
 OF AWARDS/FINANCIAL ASSISTANCE
JUNE 30, 2015

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$408,552.62	\$40,132,615.53	\$40,541,168.15
Special Revenue Fund	4,949,046.56	981,690.97	5,930,737.53
Debt Service Fund	-0-	254,852.00	254,852.00
Food Service Fund	2,208,402.00	42,836.55	2,251,238.55
Total Awards & Financial Assist.	<u>\$7,566,001.18</u>	<u>\$41,411,995.05</u>	<u>\$48,977,996.23</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules generally agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

Revenues and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively. The amount reported as TPAF Pension Contributions, Non-Contributory Insurance, and Post Retirement Medical represents the amount paid or accrued by the state on behalf of the District for the year ended June 30, 2015. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

EDISON SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Section 1 – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued: Unmodified

Internal Control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no

Noncompliance material to general-purpose financial statements noted? _____ yes X no

Federal Awards

Internal Control over major programs:

1) Material weakness(es) identified? _____ yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? _____ yes X no; none reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133? _____ yes X no

Identification of major programs:

CFDA Number(s)	Name of Federal Program or Cluster
84.010	Title I
84.367	Title II Part A
93.778	Special Education Medicaid Initiative

Dollar threshold used to distinguish between type A and B programs: \$ 300,000.00

Auditee qualified as low-risk auditee? _____ X yes _____ no

EDISON SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (continued)

Section 1 – Summary of Auditor’s Results (cont’d.)

State Awards

Dollar threshold used to distinguish between type A and B programs: \$ 800,896.00

Auditee qualified as low-risk auditee? X yes no

Type of auditor’s report issued on compliance for major programs: Unmodified

Internal Control over major programs:

1) Material weakness(es) identified? yes X no

2) Significant deficiencies identified that are not considered to be material weaknesses? yes X no; none reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04? yes X no

Identification of major programs:

GMIS Number(s)	Name of State Program
15-495-034-5120-014	Categorical Transportation Aid
15-495-034-5120-011	Categorical Special Education Aid
15-495-034-5120-078	Equalization Aid
15-495-034-5120-084	Categorical Security Aid
15-495-034-5120-097	PARCC Readiness Aid
15-495-034-5120-098	Per Pupil Growth Aid

EDISON SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(continued)

Section II – Financial Statement Findings

None

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

None

EDISON SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
 (continued)

1V. STATUS OF PRIOR YEAR FINDINGS

Section II – Financial Statement Findings

No Prior Year Findings Noted.

Section III – Federal Awards and State Financial Assistance Findings and Questioned Costs

STATE AWARDS

Finding 2014-1

Information on the state program:

Agency: Department of Education- Transportation
 State Award#: 14-495-034-5120-014
 Year of Award: 2014

Criteria or specific requirement:

School District shall provide transportation or Aid in Lieu of Transportation to eligible students in nonpublic schools, based upon proper registration and certification of attendance by the nonprofit private school (N.J.A.C. 6A:24-2-2.4).

Condition:

Unable to verify Nonpublic School Application for Transportation Services (B6T for nonpublic students) for four (4) students, as well as fifteen (15) for Aid in Lieu students listed on District Report of Transported Resident Students (DRTRS).

Current Status:

The District did correct this condition and maintain the records. However, there were still missing B6T applications due to schools not returning them. Management indicated that they will continue to review procedures to ensure all application are obtained and maintained.